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NOTE

The term 'Britain' is used informally in the *Survey of Current Affairs* to mean the United Kingdom of Great Britain and Northern Ireland. 'Great Britain' comprises England, Wales and Scotland.

Anglo-Irish Agreement

Following a joint review of the Intergovernmental Conference set up under the 1985 Anglo-Irish Agreement, Britain and the Irish Republic have reaffirmed their full commitment to the provisions of the Agreement.

Signed in November 1985, the Agreement was concluded in order to promote peace and stability in Northern Ireland, to create a new climate of friendship and co-operation between the people of the two countries and to improve co-operation in combating terrorism[1] (see pp 368-74, 1985). In Article 1, both Governments affirm that any change in the status of Northern Ireland would only come about with the consent of a majority of the people of Northern Ireland and they recognise that the present wish of the majority is for no change in Northern Ireland's status; the article says that, if in the future a majority of the people of Northern Ireland clearly wish and formally consent to the establishment of a united Ireland, both Governments would introduce and support in their respective Parliaments legislation to give effect to that wish. The Agreement also provided for the establishment of an Intergovernmental Conference in which the Irish Government can put forward views and proposals concerning stated aspects of Northern Ireland affairs and in which the promotion of cross border co-operation is discussed; the Conference is also a forum for resolving any differences between the two Governments.

The Conference has no executive role or decision taking powers, and the agreement makes clear that there is no derogation from the sovereignty of either Government; each retains full responsibility for decisions about administration or government within its own jurisdiction.

THE REVIEW

In the review,[2] both Governments reaffirm their full commitment to all the provisions of the 1985 Agreement and their belief in the need for political dialogue at all levels as an essential element in achieving progress and an end to violence. They also reiterate their 'unyielding opposition to any attempt to promote political objectives by violence or the threat of violence' and commit themselves to 'continuing close co-operation in the security field to ensure that those who resort to such methods do not succeed'.

Devolution

The review reaffirms the British Government's policy – supported by the Irish Government – to encourage progress towards the devolution of responsibility for certain powers to elected representatives in Northern Ireland as set out in Article 4 of the Agreement. 'Both sides recognise that the achievement of devolution depends on the co-operation of constitutional representatives of both traditions within Northern Ireland.'

The Two Traditions

The two Governments, states the review, share a common view of the importance of measures to accommodate the rights and identities of the two traditions in Northern Ireland, to protect human rights and to prevent discrimination. The introduction of new legislation on fair employment (see pp 88-89) has been the subject of detailed discussion in the Conference in the light of the commitment to eliminate discrimination in the workplace and establish fair employment practices. 'The two Governments agree on the importance of ensuring that such legislation shall be an effective means of meeting that commitment and the Conference will closely follow developments in this regard.' The Irish Government welcomes the launch of a programme of action to address the social and economic problems of Belfast (see pp 287-8, 1988).

Both Governments recognise the need to respect the cultural heritage of both traditions and the valuable role which the education system can play in promoting mutual esteem and understanding; the Irish Government supports the efforts being made to reflect this objective in the new school curriculum under preparation in Northern Ireland (see pp 386-88, 1988). The importance of the Irish language is recognised and both Governments undertake to 'support efforts to enhance awareness and appreciation of this particular strand of the cultural heritage'.

The review stresses the importance of ensuring that public bodies in Northern Ireland should be so constituted as to enjoy the widest possible respect and acceptance.

[1]For further details, see COI reference document No 273/85, *Northern Ireland: Agreement Between the United Kingdom and the Republic of Ireland*, and COI reference document No 127/88, *Northern Ireland*.

[2]The Anglo-Irish Agreement: Review of the Working of the Conference.

The Security Forces and Justice

Both Governments attach importance to policies aimed at improving relations between the security forces and the community in Northern Ireland. The review states: 'They have considered the record of the working of the Conference in relation to fostering confidence in the system of justice in all its aspects and ensuring that the security forces are clearly perceived to discharge their duties even-handedly, acting at all times within the law, with equal respect for the unionist and nationalist traditions and with demonstrable accountability for their actions. Special importance is attached to ensuring that representations by the public about the behaviour of members of the security forces are promptly and fully addressed and, in particular, that any allegations of harassment are quickly investigated and that, if complaints are substantiated, the necessary action is taken without delay.'

The review points out that a number of measures affecting these confidence issues have been introduced, including a police code of conduct stressing the need to respect equally the unionist and nationalist traditions in Northern Ireland. Confidence building measures envisaged or in hand include the systematic monitoring of the nature, pattern and handling of complaints by the public about the behaviour of members of the security forces, additional safeguards for members of the public being questioned by the police in connection with non-terrorist offences and the publication of a guide to the provisions of the Emergency Provisions and Prevention of Terrorism Acts (see pp 3-4, 1987).

Although the Irish Government reaffirms the importance it attaches to the reform of the system of trial under the Emergency Provisions Acts[1] and in particular the introduction of three-judge courts, the British Government is not at present persuaded of the merits of this proposal. The review adds: 'While it is recognised that emergency legislation was a response to the campaign of violence and intimidation, it is agreed that both sides will continue through the Conference to consider what changes may be desirable in the emergency provisions, the general criminal law or procedure with the aim of securing maximum public confidence in the system of justice.'

The two Governments are 'fully agreed on the need for fair and effective procedures for extradition and for the exercise of extra-territorial jurisdiction to ensure that fugitive offenders are brought to justice'. Both will continue their examination of these matters to ensure that appropriate arrangements are in place in relation to extradition and extra-territorial jurisdiction. They agree that 'there should be further study of areas of the criminal law applying in the two jurisdictions which might with benefit be harmonised'.

Security

Condemning terrorism, the two Governments reaffirm their determination to counter 'this evil through continuing close co-operation between the security forces on both sides of the border'. Progress in cross border security co-operation, already the subject of regular and intensive consideration at meetings within the framework of the Conference in addition to the frequent meetings between the two police forces, will be reviewed regularly by the Conference 'which the two Governments will continue to use as a framework to work together to ensure that those who adopt or support violence do not succeed'.

Economic Co-operation

Affirming that cross-border economic and social co-operation is beneficial to all, the review states that a study of social and economic problems in the north west of Ireland has been commissioned with assistance from the European Community. It has been agreed that future Conference meetings will include a programme of assessment of all sectors to determine where co-operation can be expanded; in a preliminary survey a number of areas – including transport, communications, tourism, industry, agriculture, energy and health – have been identified as offering scope for further work.

Both Governments recognise that the European Community's internal market will generate common opportunities for both parts of Ireland as well as difficulties arising from peripheral island status and other factors including the increase of competition. The Conference, they believe, could provide a valuable forum for both sides to consider the cross-border implications of the single European market.

International Fund for Ireland

The review notes that the International Fund for Ireland – supported by the United States, Canada and New Zealand and, from 1989, the European Community – has committed over £50 million to projects in Northern Ireland and the Irish Republic's border counties. Both Governments will continue to give support to the work of the Fund and the emphasis it is placing on improving the position in the most disadvantaged areas. The Fund was established by Britain and the Irish Republic in accordance with the Agreement.

Conclusion

Reaffirming the right of the unionist and nationalist traditions to pursue their aspirations by peaceful means, the review reiterates the objective of the creation of a society in Northern Ireland in which all may live in peace, free from discrimination and intolerance. It concludes: 'The two Governments stress that the Agreement does not represent a threat to either tradition in Northern Ireland. On the contrary, it provides a framework which respects the essential interests of both sides of the community . . . It facilitates co-operation in the fight against terrorism and sets out to create the conditions in which the whole community can live together in peace.'

DEVELOPMENTS SINCE THE SIGNING OF THE AGREEMENT

A separate document, issued by the Northern Ireland Office, summarises the progress made under each main area of activity of the Agreement.

Human Rights

Legislation has been enacted ending the anomaly whereby some voters were unable to vote in district

[1]Such trials are held by a judge sitting without a jury (see p 3, 1987).

council elections (see p 402, 1988). The Flags and Emblems Act (Northern Ireland) 1954 has also been repealed.

The Fair Employment Bill at present before Parliament provides for further measures to eliminate religious discrimination and promote equality in employment (see pp 88-89). It provides for compulsory monitoring of the religious composition of workforces and periodic reviews of employment practices and establishes a new and strengthened Fair Employment Commission which is empowered to issue enforceable directions obliging employers to take affirmative action measures.

Under legislation passed in 1987 the police have been given greater powers to control parades and marches which are likely to give rise to provocation and the law on prevention of incitement to hatred has been strengthened (see pp 84-85, 1987).

Security Forces and the Community

The Conference has devoted considerable attention to ways of improving relations between the security forces and the community. Measures taken by the British Government include:

1 improvements in the procedure for handling complaints against the police, including the establishment of an Independent Commission for Police Complaints (see p 93, 1988);

2 considerable attempts by the police to increase the level of recruitment from the minority community;

3 the introduction of a new Code of Conduct for all police officers;

4 the forthcoming Police and Criminal Evidence (Northern Ireland) Order which will introduce a statutory requirement for the police to liaise with the local community;

5 the introduction by the Army of new procedures to ensure that, wherever possible, allegations of misbehaviour against members of the armed forces will be resolved with a response to the complainant within three to four weeks;

6 the establishment of a committee of British officials to keep under review the number and nature of allegations of misbehaviour by members of the security forces and the speed and effectiveness with which they are handled.

Legal System

Improvements have been made in the system of justice in Northern Ireland designed to help improve the confidence of the minority community in that system. These include making all arrest powers exercisable only on the basis of reasonable suspicion, reducing the maximum period that a suspect can be held without further ministerial authority from 72 to 48 hours, establishing a statutory right of access to a solicitor within 48 hours of arrest and giving suspects the right at the time of arrest to inform a friend or relative of their whereabouts. In addition the Emergency Provisions Acts are reviewed annually by an independent person and there is a fixed term of five years duration on these Acts. Changes have also been made to ensure that any confessions obtained by the use or threat of violence are inadmissable. Measures have also been introduced to reduce the delay between first remand and trial (see pp 3-4, 1987).

In the near future the Police and Criminal Evidence (Northern Ireland) Order will, subject to Parliamentary approval, provide the same safeguards for persons detained for police questioning under the ordinary criminal law as are provided in England and Wales (see pp 397-99, 1984). A guide to the exercise of emergency powers will be published and made widely available.

Extradition

Significant developments on extradition have been the ratification by the Irish Government of the European Convention on the Suppression of Terrorism and the narrowing down of the political offence exception, initially by the Irish courts. To try to ensure effective procedures for dealing with fugitive offenders, extradition law and procedure have been kept under review, including the provision for arrest and detention, arrangements for the transfer of prisoners where extradition is ordered and the requirements which must be satisfied before extradition can be ordered.

Security

The Conference has provided a means to develop and extend security co-operation including joint threat assessments, the exchange of information, technical co-operation, training and operational planning. Regular meetings take place between the two police forces and close co-operation takes place when dealing with suspect terrorist devices located near the border.

Economic, Social and Cultural Matters

The most significant achievement in these areas is the establishment in 1986 of the International Fund for Ireland which has received contributions of more than $120 million from the United States, Canada and New Zealand and some £10 million from the European Community. By the end of February 1989 the Fund had approved support of over £50 million to over 1,000 projects holding out the prospect of some 4,500 new permanent jobs, the preservation of 1,500 more and the provision of 4,000 in specific construction projects. Some two thirds of grants are located in areas of greatest need. The Fund has also established investment companies in Northern Ireland and in the Republic to provide venture capital, either through equity or loan, on the basis of strictly commercial criteria.

In the field of health, ministers have introduced arrangements for referrals for certain specialised treatments between Belfast and Dublin, undertaken co-ordinated health promotion and immunisation campaigns and ensured exchange of contracts and plans to deal with major accidents. The possibilities of joint investment in specialised equipment and of co-operation in procurement of supplies are being pursued.

North Atlantic Treaty Organisation Summit Meeting

At a summit meeting in Brussels on 29 and 30 May, heads of Government of the 16 members of the North Atlantic Treaty Organisation adopted a strategy for the conduct of future East-West relations, including new proposals on conventional arms control. Further, they agreed that in 1992 the introduction and deployment of short-range nuclear weapons to replace the Lance missile would be addressed. They also agreed to negotiate with the Warsaw Pact on a partial reduction of short-range nuclear forces.

SUMMARY OF NATO DOCUMENTS

The Declaration, issued after the meeting, reaffirmed the North Atlantic Treaty Organisation (NATO) belief in strong defence and a strategy of nuclear deterrence, endorsed its conventional arms control proposals, and welcomed the initiative announced by the US President, Mr George Bush, at the summit. The US proposals – endorsed by NATO – provide for equal ceilings of NATO and Warsaw Pact land-based combat aircraft and helicopters at a level of 15 per cent below the Alliance's current holdings (see pp 174-5); the withdrawn equipment would be destroyed. In addition, a 20 per cent reduction in manpower was proposed providing for a ceiling of 275,000 on both US and Soviet ground and air force personnel stationed outside national territory in the area between the Atlantic and the Urals; this would require the Soviet Union to reduce its forces in eastern Europe by 325,000. The United States said that these reductions should be accomplished by 1992 or 1993.

The Summit meeting approved a separate report (see below), setting out the Alliance's defence and arms control policy. The report reaffirmed the strategy of deterrence and of flexible response, which requires an appropriate mix of adequate and effective strategic and sub-strategic nuclear and conventional forces. It challenged the Soviet Union to reduce unilaterally its short-range nuclear forces (SNF) to NATO levels and said that NATO would take its decision on the modernisation of its short-range nuclear forces (the Lance missile)[1] in 1992, and that it would negotiate with the Warsaw Pact on these only after an agreement on conventional arms forces had been signed and was being implemented.

[1]Those with a range of less than 500 km. Ground-launched intermediate-range nuclear forces with ranges of between 500 km and 5,500 km are being eliminated under the US-Soviet treaty signed in 1987 (see pp 9-11, 1988).

BRITISH VIEWS

Giving a press conference in Brussels on May 30, the Prime Minister, Mrs Margaret Thatcher, said that the Declaration was a restatement of NATO's fundamental beliefs in strong defence and a view of how East-West relations should develop.

On SNF, Mrs Thatcher said that the conclusion reached was entirely satisfactory and had underlined the continuing need for effective SNF which would have to be kept up to date. She added: 'There will be no negotiations on SNF until we have full agreement on conventional forces reductions and such an agreement is ratified and is being implemented. And there will be no reductions in SNF until a conventional force reduction agreement has been fully implemented. If and when these conventional force reductions are agreed and implemented some SNF may be removed, but, as the Document makes clear, some will always be needed.'

NATO DECLARATION

The following communiqué (slightly abridged) was issued by the 16 NATO members after the summit meeting on 29 and 30 May 1989.

NATO's 40 Years of Success

As our Alliance celebrates its 40th Anniversary, we measure its achievements with pride. Founded in troubled times to safeguard our security, it has withstood the test of four decades, and has allowed our countries to enjoy in freedom one of the longest periods of peace and prosperity in their history. The Alliance has been a fundamental element of stability and co-operation. These are the fruits of a partnership based on enduring common values and interests, and on unity of purpose.

Our meeting takes place at a juncture of unprecedented change and opportunities. This is a time to look ahead, to chart the course of our Alliance and to set our agenda for the future.

A Time of Change

In our rapidly changing world, where ideas transcend borders ever more easily, the strength and accomplishments of democracy and freedom are

increasingly apparent. The inherent inability of oppressive systems to fulfil the aspirations of their citizens has become equally evident.

In the Soviet Union, important changes are underway. We welcome the current reforms that have already led to greater openness, improved respect for human rights, active participation of the individual, and new attitudes in foreign policy. But much remains to be done. We still look forward to the full implementation of the announced change in priorities in the allocation of economic resources from the military to the civilian sector. If sustained, the reforms will strengthen prospects for fundamental improvements in East-West relations.

We also welcome the marked progress in some countries of Eastern Europe towards establishing more democratic institutions, freer elections and greater political pluralism and economic choice. However, we deplore the fact that certain Eastern European governments have chosen to ignore this reforming trend and continue all too frequently to violate human rights and basic freedoms.

Shaping the Future

Our vision of a just, humane and democratic world has always underpinned the policies of this Alliance. The changes that are now taking place are bringing us closer to the realisation of this vision.

We want to overcome the painful division of Europe, which we have never accepted . . . Based on today's momentum of increased co-operation and tomorrow's common challenges, we seek to shape a new political order of peace in Europe. We will work as Allies to seize all opportunities to achieve this goal . . .

Our guiding principles in the pursuit of this course will be the policies of the Harmel Report in their two complementary and mutually reinforcing approaches [see p 12 fn, 1988]*: adequate military strength and political solidarity and, on that basis, the search for constructive dialogue and co-operation, including arms control, as a means of bringing about a just and lasting peaceful order in Europe.*

The Alliance's long-term objectives are:

– to ensure that wars and intimidation of any kind in Europe and North America are prevented, and that military aggression is an option which no government could rationally contemplate or hope successfully to undertake, and by doing so to lay the foundations for a world where military forces exist solely to preserve the independence and territorial integrity of their countries, as has always been the case for the Allies; [and]

– to establish a new pattern of relations between the countries of East and West, in which ideological and military antagonism will be replaced with co-operation, trust and peaceful competition; and in which human rights and political freedoms will be fully guaranteed and enjoyed by all individuals.

Within our larger responsibilities as Heads of State or Government, we are also committed

– to strive for an international community founded on the rule of law, where all nations join together to reduce world tensions, settle disputes peacefully, and search for solutions to those issues of universal concern, including poverty, social injustice and the environment, on which our common fate depends.

Maintaining our Defence

Peace must be worked for; it can never be taken for granted. The greatly improved East-West political climate offers prospects for a stable and lasting peace, but experience teaches us that we must remain prepared. We can overlook neither the capabilities of the Warsaw Treaty countries for offensive military action, nor the potential hazards resulting from severe political strain and crisis.

A strong and united Alliance will remain fundamental not only for the security of our countries but also for our policy of supporting political change. It is the basis for further successful negotiations on arms control and on measures to strengthen mutual confidence through improved transparency and predictability. Military security and policies aimed at reducing tensions as well as resolving underlying political differences are not contradictory but complementary. Credible defence based on the principle of the indivisibility of security for all member countries will thus continue to be essential to our common endeavour.

For the foreseeable future, there is no alternative to the Alliance strategy for the prevention of war. This is a strategy of deterrence based upon an appropriate mix of adequate and effective nuclear and conventional forces which will continue to be kept up-to-date where necessary. We shall ensure the viability and credibility of these forces, while maintaining them at the lowest possible level consistent with our security requirements.

The presence of North American conventional and nuclear forces in Europe remains vital to the security of Europe just as Europe's security is vital to that of North America. Maintenance of this relationship requires that the Allies fulfil their essential commitments in support of the common defence. Each of our countries will accordingly assume its fair share of the risks, roles and responsibilities of the Atlantic partnership. Growing European political unity can lead to a reinforced European component of our common security effort and its efficiency. It will be essential to the success of these efforts to make the most effective use of resources made available for our security. To this end, we will seek to maximise the efficiency of our defence programmes and pursue solutions to issues in the area of economic and trade policies as they affect our defence. We will also continue to protect our technological capabilities by effective export controls on essential strategic goods.

Initiatives on Arms Control

Arms Control has always been an integral part of the Alliance's security policy and of its overall approach to East-West relations, firmly embedded in the broader political context in which we seek the improvement of those relations.

The Allies have consistently taken the lead in developing the conceptual foundations for arms control, identifying areas in which the negotiating partners share an interest in achieving a mutually satisfactory result while safeguarding the legitimate security interests of all.

Historic progress has been made in recent years,

and we now see prospects for further substantial advances. In our determined effort to reduce the excessive weight of the military factor in the East-West relationship and increasingly to replace confrontation by co-operation, we can now exploit fully the potential of arms control as an agent of change.

We challenge the members of the Warsaw Treaty Organization (WTO) *to join us in accelerating efforts to sign and implement an agreement which will enhance security and stability in Europe by reducing conventional armed forces. To seize the unique opportunity at hand, we intend to present a proposal that will amplify and expand on the position we tabled at the opening of the CFE* [Conventional Forces in Europe] *negotiations on 9 March* (see pp 90-2).* *We will:*

– register agreement, based on the ceilings already proposed in Vienna, on tanks, armoured troop carriers and artillery pieces held by members of the two Alliances in Europe, with all of the withdrawn equipment to be destroyed. Ceilings on tanks and armoured troop carriers will be based on proposals already tabled in Vienna (see p 175 and pp 90-2)*; definitional questions on artillery pieces remain to be resolved;*

– expand our current proposal to include reductions by each side to equal ceilings at the level of 15 per cent below current Alliance holdings of helicopters and of all land-based combat aircraft in the Atlantic-to-the-Urals zone, with all the withdrawn equipment to be destroyed;

– propose a 20 per cent cut in combat manpower in US stationed forces, and a resulting ceiling on US and Soviet ground and air force personnel stationed outside of national territory in the Atlantic-to-the-Urals zone at approximately 275,000. This ceiling would require the Soviet Union to reduce its forces in Eastern Europe by some 325,000. United States and Soviet forces withdrawn will be demobilized; [and]

– seek such an agreement within six months to a year and accomplish the reductions by 1992 or 1993. Accordingly, we have directed the Alliance's High Level Task Force on conventional arms control to complete the further elaboration of this proposal, including its verification elements, so that it may be tabled at the beginning of the third round of the CFE negotiations, which opens on 7 September 1989.

We consider as an important initiative President Bush's call for an open skies regime intended to improve confidence among States through reconnaissance flights, and to contribute to the transparency of military activity, to arms control and to public awareness.[1] *It will be the subject of careful study and wide-ranging consultations.*

Consistent with the principles and objectives set out in our Comprehensive Concept of Arms Control and Disarmament which we have adopted at this meeting, we will continue to use arms control as a means to enhance security and stability at the lowest possible level of armed forces, and to strengthen confidence by further appropriate measures. We have already demonstrated our commitment to these objectives: both by negotiations and by unilateral action, resulting since 1979 in reductions of over one-third of the nuclear holdings assigned to SACEUR [Supreme Allied Commander Europe] *in Europe* [see pp 205-6, 1984].

Towards an Enhanced Partnership

As the Alliance enters its fifth decade we will meet the challenge of shaping our relationship in a way which corresponds to the new political and economic realities of the 1990s. As we do so, we recognize that the basis of our security and prosperity – and of our hopes for better East-West relations – is and will continue to be the close cohesion between the countries of Europe and of North America, bound together by their common values and democratic institutions as much as by their shared security interests.

Ours is a living and developing partnership. The strength and stability derived from our transatlantic bond provide a firm foundation for the achievement of our long-term vision, as well as of our goals for the immediate future. We recognize that our common tasks transcend the resources of either Europe or North America alone.

We welcome in this regard the evolution of an increasingly strong and coherent European identity, including in the security area. The process we are witnessing today provides an example of progressive integration, leaving centuries-old conflicts far behind. It opens the way to a more mature and balanced transatlantic partnership and constitutes one of the foundations of Europe's future structure.

To ensure the continuing success of our efforts we have agreed to:

– strengthen our process of political consultation and, where appropriate, co-ordination, and have instructed the Council in Permanent Session to consider methods for its further improvement;

– expand the scope and intensity of our effort to ensure that our respective approaches to problems affecting our common security are complementary and mutually supportive;

– renew our support for our economically less-favoured partners and to reaffirm our goal of improving the present level of co-operation and assistance; [and]

– continue to work in the appropriate fora for more commercial, monetary and technological co-operation, and to see to it that no obstacles impede such co-operation.

Overcoming the Division of Europe

Now, more than ever, our efforts to overcome the division of Europe must address its underlying political causes . . .

The CSCE [Conference on Security and Co-operation in Europe] *process encompasses our vision of a peaceful and more constructive relationship among all participating states. We intend to develop it*

**France takes this opportunity to recall that, since the mandate for the Vienna negotiations excludes nuclear weapons, it retains complete freedom of judgement and decision regarding the resources contributing to the implementation of its independent nuclear deterrent strategy.*

[1] In a speech on 15 May, the US President, Mr George Bush, called for a revival of an earlier US 1955 proposal which would, if accepted, have involved the United States and the Soviet Union flying unarmed inspection aircraft over the other's territory, but with the addition of expanding the proposal to include allies on both sides.

further, in all its dimensions, and to make the fullest use of it.

We recognize progress in the implementation of CSCE commitments by some Eastern countries. But we call upon all of them to recognise and implement fully the commitments which all CSCE states have accepted. We will invoke the CSCE mechanisms – as most recently adopted in the Vienna Concluding Document [see pp 43-9] *– and the provisions of other international agreements, to bring all Eastern countries to:*

– enshrine in law and practice the human rights and freedoms agreed in international covenants and in the CSCE documents, thus fostering progress towards the rule of law;

– tear down the walls that separate us physically and politically, simplify the crossing of borders, increase the number of crossing points and allow the free exchange of persons, information and ideas;

– ensure that people are not prevented by armed force from crossing the frontiers and boundaries which we share with Eastern countries, in exercise of their right to leave any country, including their own;

– respect in law and practice the right of all the people in each country to determine freely and periodically the nature of the government they wish to have;

– see to it that their peoples can decide through their elected authorities what form of relations they wish to have with other countries;

– grant the genuine economic freedoms that are linked inherently to the rights of the individual; [and]

– develop transparency, especially in military matters, in pursuit of greater mutual understanding and reassurance.

The situation in and around Berlin is an essential element in East-West relations.[1] *The Alliance declares its commitment to a free and prosperous Berlin and to achieving improvements for the city especially through the Allied Berlin Initiative* [see p 194 fn, 1988]. *The Wall dividing the city is an unacceptable symbol of the division of Europe. We seek a state of peace in Europe in which the German people regains its unity through free self-determination.*

Our Design for Co-operation

We, for our part, have today reaffirmed that the Alliance must and will reintensify its own efforts to overcome the division of Europe and to explore all available avenues of co-operation and dialogue. We support the opening of Eastern societies and encourage reforms that aim at positive political, economic and human rights developments. Tangible steps towards genuine political and economic reform improve possibilities for broad co-operation, while a continuing denial of basic freedoms cannot but have a negative effect. Our approach recognizes that each country is unique and must be treated on its own merits. We also recognize that it is essentially incumbent upon the countries of the East to solve their problems by reforms from within. But we can also play a constructive role within the framework of our Alliance as well as in our respective bilateral relations and in international organizations, as appropriate.

To that end, we have agreed the following joint agenda for the future:

– as opportunities develop, we will expand the scope of our contacts and co-operation to cover a broad range of issues which are important to both East and West. Our goal is a sustained effort geared to specific tasks which will help deepen openness and promote democracy within Eastern countries and thus contribute to the establishment of a more stable peace in Europe;

– we will pursue in particular expanded contacts beyond the realm of government among individuals in East and West. These contacts should include all segments of our societies, but in particular young people, who will carry the responsibility for continuing our common endeavour;

– we will seek expanded economic and trade relations with the Eastern countries on the basis of commercially sound terms, mutual interest and reciprocity. Such relations should also serve as incentives for real economic reform and thus ease the way for increased integration of Eastern countries into the international trading system;

– we intend to demonstrate through increased co-operation that democratic institutions and economic choice create the best possible conditions for economic and social progress. The development of such open systems will facilitate co-operation and, consequently, make its benefits more available;

– an important task of our co-operation will be to explore means to extend Western experience and know-how to Eastern countries in a manner which responds to and promotes positive change. Exchanges in technical and managerial fields, establishment of co-operative training programmes, expansion of educational, scientific and cultural exchanges all offer possibilities which have not yet been exhausted;

– equally important will be to integrate Eastern European countries more fully into efforts to meet the social, environmental and technological challenges of the modern world, where common interests should prevail. In accordance with our concern for global challenges, we will seek to engage Eastern countries in co-operative strategies in areas such as the environment, terrorism, and drugs. Eastern willingness to participate constructively in dealing with such challenges will help further co-operation in other areas as well; [and]

– East-West understanding can be expanded only if our respective societies gain increased knowledge about one another and communicate effectively. To encourage an increase of Soviet and Eastern studies in universities of our countries and of corresponding studies in Eastern countries, we are prepared to establish a Fellowship/Scholarship programme to promote the study of our democratic institutions, with candidates being invited from Eastern as well as Western Europe and North America.

[1]For further information see COI reference paper, *Berlin*, No 293/87.

Global Challenges

Worldwide developments which affect our security interests are legitimate matters for consultation and, where appropriate, co-ordination among us. Our security is to be seen in a context broader than the protection from war alone.

Regional conflicts continue to be of major concern. The co-ordinated approach of Alliance members recently has helped toward settling some of the world's most dangerous and long-standing disputes. We hope that the Soviet Union will increasingly work with us in positive and practical steps towards diplomatic solutions to those conflicts that continue to preoccupy the international community.

We will seek to contain the newly emerging security threats and destabilizing consequences resulting from the uncontrolled spread and application of modern military technologies.

. . . we will increasingly need to address worldwide problems which have a bearing on our security, particularly environmental degradation, resource conflicts and grave economic disparities. We will seek to do so in the appropriate multilateral fora, in the widest possible co-operation with other States.

We will each further develop our close co-operation with the other industrial democracies akin to us in their objectives and policies.

We will redouble our efforts in a reinvigorated United Nations, strengthening its role in conflict settlement and peacekeeping, and in its larger endeavours for world peace . . .

A COMPREHENSIVE CONCEPT OF ARMS CONTROL AND DISARMAMENT

The meeting adopted and published a report, *A Comprehensive Concept of Arms Control and Disarmament*, which was prepared following a North Atlantic Council request in 1987 to consider the further development of a comprehensive concept of arms control and disarmament (see p 231, 1987).[1]

The report establishes the conceptual framework within which the Allies will seek progress in each area of arms control. In so doing, it sets the Alliance's arms control policies within the context of its overall objectives in East-West relations, and, more particularly, the Alliance's defence and security policies.

EAST-WEST RELATIONS AND ARMS CONTROL

Describing this broader context, the document says:

The Alliance continues to seek a just and stable peace in Europe in which all states can enjoy undiminished security at the minimum necessary levels of forces and armaments and all individuals can exercise their basic rights and freedoms. Arms control alone cannot resolve longstanding political differences between East and West nor guarantee a stable peace. Nonetheless, achievement of the Alliance's goal will require substantial advances in arms control, as well as more fundamental changes in political relations. Success in arms control, in addition to enhancing military security, can encourage improvements in the East-West political dialogue and thereby contribute to the achievement of broader Alliance objectives.

To increase security and stability in Europe, the Alliance has consistently pursued every opportunity for effective arms control. The Allies are committed to this policy, independent of any changes that may occur in the climate of East-West relations. Success in arms control, however, continues to depend not on our own efforts alone, but also on Eastern and particularly Soviet readiness to work constructively towards mutually beneficial results . . .

After discussing recent developments in East-West relations, the document continues:

Prospects are now brighter than ever before for lasting, qualitative improvements in the East-West relationship. There continue to be clear signs of change in the internal and external policies of the Soviet Union and of some of its Allies. The Soviet leadership has stated that ideological competition should play no part in inter-state relations. Soviet acknowledgement of serious shortcomings in its past approaches to international as well as domestic issues creates opportunities for progress on fundamental political problems.

At the same time, serious concerns remain. The ambitious Soviet reform programme, which the Allies welcome, will take many years to complete. Its success cannot be taken for granted given the magnitude of the problems it faces and the resistance generated. In Eastern Europe, progress in constructive reform is still uneven and the extent of these reforms remains to be determined. Basic human rights still need to be firmly anchored in law and practice, though in some Warsaw Pact countries improvements are underway. Although the WTO has recently announced and begun unilateral reductions in some of its forces, the Soviet Union continues to deploy military forces and to maintain a pace of military production in excess of legitimate defensive requirements. Moreover, the geostrategic realities favour the geographically contiguous Soviet-dominated WTO as against the geographically separated democracies of the North Atlantic Alliance. It has long been an objective of the Soviet Union to weaken the links between the European and North American members of the Alliance.

We face an immediate future that is promising but still uncertain. The Allies and the East face both a challenge and an opportunity to capitalise on present conditions in order to increase mutual security. The progress recently made in East-West relations has given new impetus to the arms control process and has enhanced the possibilities of achieving the Alliance's arms control objectives, which complement the other elements of the Alliance's security policy . . .

PRINCIPLES OF ALLIANCE SECURITY

The document states:

It is essential that defence and arms control objectives remain in harmony in order to ensure their complementary contribution to the goal of main-

[1] *The Alliance's Comprehensive Concept*, May 1989. Published by NATO Information Service, 1110-Brussels, Belgium.

taining security at the lowest balanced level of forces consistent with the requirements of the Alliance strategy of war prevention . . . Decisions on arms control matters must fully reflect the requirements of the Allies' strategy of deterrence. Equally, progress in arms control is relevant to military plans, which will have to be developed in the full knowledge of the objectives pursued in arms control negotiations and to reflect, as necessary, the results achieved therein.

Reaffirming the defensive nature of the Alliance – 'its aim has always been to prevent war and any form of coercion and intimidation' – the document details its strategy of deterrence.

Its objective is to convince a potential aggressor before he acts that he is confronted with a risk that outweighs any gain – however great – he might hope to secure from his aggression . . .

In order to fulfil its strategy, the Alliance must be capable of responding appropriately to any aggression and of meeting its commitment to the defence of the frontiers of its members' territory. For the foreseeable future, deterrence requires an appropriate mix of adequate and effective nuclear and conventional forces which will continue to be kept up to date where necessary; for it is only by their evident and perceived capability for effective use that such forces and weapons deter.

Conventional forces make an essential contribution to deterrence . . . Conventional defence alone cannot, however, ensure deterrence. Only the nuclear element can confront an aggressor with an unacceptable risk and thus plays an indispensable role in our current strategy of war prevention.

The fundamental purpose of nuclear forces – both strategic and sub-strategic – is political: to preserve the peace and to prevent any kind of war. Such forces contribute to deterrence by demonstrating that the Allies have the military capability and the political will to use them, if necessary, in response to aggression. Should aggression occur, the aim would be to restore deterrence by inducing the aggressor to reconsider his decision, to terminate his attack and to withdraw and thereby to restore the territorial integrity of the Alliance.

Conventional and nuclear forces, therefore, perform different but complementary and mutually reinforcing roles. Any perceived inadequacy in either of these two elements, or the impression that conventional forces could be separated from nuclear, or sub-strategic from strategic nuclear forces, might lead a potential adversary to conclude that the risk of launching aggression might be calculable and acceptable. No single element can, therefore, be regarded as a substitute compensating for deficiencies in any other . . .

Within this overall framework, strategic nuclear forces provide the ultimate guarantee of deterrence for the Allies. They must be capable of inflicting unacceptable damage on an aggressor state even after it has carried out a first strike . . . The strategic nuclear forces of the United States provide the cornerstone of deterrence for the Alliance as a whole. The independent nuclear forces of the United Kingdom and France fulfil a deterrent role of their own and contribute to the overall deterrence strategy of the Alliance by complicating the planning and risk assessment of a potential aggressor.

Nuclear forces below the strategic level provide an essential political and military linkage between conventional and strategic forces . . . Their role is to ensure that there are no circumstances in which a potential aggressor might discount the prospect of nuclear retaliation in response to military action . . .

Conventional forces contribute to deterrence by demonstrating the Allies' will to defend themselves and by minimising the risk that a potential aggressor could anticipate a quick and easy victory or limited territorial gain achieved solely by conventional means.

They must thus be able to respond appropriately and to confront the aggressor immediately and as far forward as possible with the necessary resistance to compel him to end the conflict and to withdraw or face possible recourse to the use of nuclear weapons by the Allies . . .

The Allies are committed to maintaining only the minimum level of forces necessary for their strategy of deterrence, taking into account the threat. There is, however, a level of forces, both nuclear and conventional, below which the credibility of deterrence cannot be maintained. In particular, the Allies have always recognised that the removal of all nuclear weapons from Europe would critically undermine deterrence strategy and impair the security of the Alliance . . .

ARMS CONTROL AND DISARMAMENT: PRINCIPLES AND OBJECTIVES

The goal of Alliance arms control policy is to enhance security and stability. To this end, the Allies' arms control initiatives seek a balance at a lower level of forces and armaments through negotiated agreements and, as appropriate, unilateral actions, recognising that arms control agreements are only possible where the negotiating partners share an interest in achieving a mutually satisfactory result. The Allies' arms control policy seeks to remove destabilising asymmetries in forces or equipment. It also pursues measures designed to build mutual confidence and to reduce the risk of conflict by promoting greater transparency and predictability in military matters . . .

Guiding Principles for Arms Control

The members of the Alliance will be guided by the following principles:

***Security:** Arms control should enhance the security of all Allies. Both during the implementation period and following implementation, the Allies' strategy of deterrence and their ability to defend themselves, must remain credible and effective. Arms control measures should maintain the strategic unity and political cohesion of the Alliance, and should safeguard the principle of the indivisibility of Alliance security by avoiding the creation of areas of unequal security. Arms control measures should respect the legitimate security interests of all states and should not facilitate the transfer or intensification of threats to third party states or regions.*

***Stability:** Arms control measures should yield militarily significant results that enhance stability. To promote stability, arms control measures should*

reduce or eliminate those capabilities which are most threatening to the Alliance. Stability can also be enhanced by steps that promote greater transparency and predictability in military matters. Military stability requires the elimination of options for surprise attack and for large-scale offensive action. Crisis stability requires that no state has forces of a size and configuration which, when compared with those of others, could enable it to calculate that it might gain a decisive advantage by being the first to resort to arms. Stability also requires measures which discourage destabilising attempts to re-establish military advantage through the transfer of resources to other types of armament. Agreements must lead to final results that are both balanced and ensure equality of rights with respect to security.

Verifiability: *Effective and reliable verification is a fundamental requirement for arms control agreements. If arms control is to be effective and to build confidence, the verifiability of proposed arms control measures must, therefore, be of central concern for the Alliance. Progress in arms control should be measured against the record of compliance with existing agreements. Agreed arms control measures should exclude opportunities for circumvention.*

Alliance Arms Control Objectives

In accordance with the above principles, the Allies are pursuing an ambitious arms control agenda for the coming years in the nuclear, conventional and chemical fields.

The INF Agreement represents a milestone in the Allies' efforts to achieve a more secure peace at lower levels of arms. By 1991, it will lead to the total elimination of all United States and Soviet intermediate range land-based missiles, thereby removing the threat which such Soviet systems presented to the Alliance. Implementation of the agreement, however, will affect only a small proportion of the Soviet nuclear armoury, and the Alliance continues to face a substantial array of modern and effective Soviet systems of all ranges. The full realisation of the Alliance agenda thus requires that further steps be taken.

Strategic Nuclear Forces

Soviet strategic systems continue to pose a major threat to the whole of the Alliance. Deep cuts in such systems are in the direct interests of the entire Western Alliance, and therefore their achievement constitutes a priority for the Alliance in the nuclear field.

The Allies thus fully support the United States objectives of achieving, within the context of the Strategic Arms Reduction Talks, fifty per cent reductions in United States and Soviet strategic nuclear arms. United States proposals seek to enhance stability by placing specific restrictions on the most destabilising elements of the threat – fast flying ballistic missiles, throw-weight and, in particular, Soviet heavy ICBMs [intercontinental ballistic missiles]. *The proposals are based on the need to maintain the deterrent credibility of the remaining United States strategic forces which would continue to provide the ultimate guarantee of security for the Alliance as a whole; and therefore on the necessity to keep such forces effective. Furthermore, the United States is holding talks with the Soviet Union on defence and space matters in order to ensure that strategic stability is enhanced.*

Sub-Strategic Nuclear Forces

The Allies are committed to maintaining only the minimum number of nuclear weapons necessary to support their strategy of deterrence. In line with this commitment, the members of the integrated military structure have already made major unilateral cuts in their sub-strategic nuclear armoury. The number of land-based warheads in Western Europe has been reduced by over one-third since 1979 to its lowest level in over 20 years. Updating where necessary of their sub-strategic systems would result in further reductions.

The Allies continue to face the direct threat posed to Europe by the large numbers of shorter-range nuclear missiles deployed on Warsaw Pact territory and which have been substantially upgraded in recent years [see p 175]. *Major reductions in Warsaw Pact systems would be of overall value to Alliance security. One of the ways to achieve this aim would be by tangible and verifiable reductions of American and Soviet land-based nuclear missile systems of shorter range leading to equal ceilings at lower levels.*

But the sub-strategic nuclear forces deployed by member countries of the Alliance are not principally a counter to similar systems operated by members of the WTO. . . . [They] *fulfil an essential role in overall Alliance deterrence strategy by ensuring that there are no circumstances in which a potential aggressor might discount nuclear retaliation in response in his military action.*

The Alliance reaffirms its position that for the foreseeable future there is no alternative to . . . a strategy of deterrence based upon an appropriate mix of adequate and effective nuclear and conventional forces which will continue to be kept up to date where necessary. Where nuclear forces are concerned, land-, sea-, and air-based systems, including ground-based missiles, in the present circumstances and as far as can be foreseen will be needed in Europe.

In view of the huge superiority of the Warsaw Pact in terms of short-range nuclear missiles, the Alliance calls upon the Soviet Union to reduce unilaterally its short-range missile systems to the current levels within [NATO's] *integrated military structure.*

The Alliance reaffirms that at the negotiations on conventional stability it pursues the objectives of:

– the establishment of a secure and stable balance of conventional forces at lower levels;

– the elimination of disparities prejudicial to stability and security; and

– the elimination as a matter of high priority of the capability for launching surprise attack and for initiating large-scale offensive action . . .

One of [NATO's] *highest priorities in negotiations with the East is reaching an agreement on conventional force reductions which would achieve the objectives above. In this spirit, the Allies will make every effort . . . to bring these conventional negotia-*

tions to an early and satisfactory conclusion. The United States has expressed the hope that this could be achieved within six to twelve months. Once implementation of such an agreement is underway, the United States, in consultation with the Allies concerned, is prepared to enter into negotiations to achieve a partial *reduction of American and Soviet land-based nuclear missile forces of shorter range to equal and verifiable levels. With special reference to the Western proposals on CFE tabled in Vienna, enhanced by the proposals by the United States at the May 1989 Summit, the Allies concerned proceed on the understanding that negotiated reductions leading to a level below the existing level of their SNF* [short range nuclear forces] *missiles will not be carried out until the results of these negotiations have been implemented. Reductions of Warsaw Pact SNF systems should be carried out before that date.*

As regards the sub-strategic nuclear forces of the members of the integrated military structure, their level and characteristics must be such that they can perform their deterrent role in a credible way across the required spectrum of ranges, taking into account the threat – both conventional and nuclear – with which the Alliance is faced. The question concerning the introduction and deployment of a follow-on system for the Lance will be dealt with in 1992 in the light of overall security developments. While a decision for national authorities, the Allies concerned recognise the value of the continued funding by the United States of research and development of a follow-on for the existing Lance short-range missile, in order to preserve their options in this respect.

Conventional Forces

As set out in the March 1988 Summit statement and in the Alliance's November 1988 data initiative [see p 415, 1988], *the Soviet Union's military presence in Europe, at a level far in excess of its needs for self-defence, directly challenges our security as well as our aspirations for a peaceful order in Europe. Such excessive force levels create the risk of political intimidation or threatened aggression. As long as they exist, they present an obstacle to better political relations between all states of Europe. The challenge to security is, moreover, not only a matter of the numerical superiority of WTO forces. WTO tanks, artillery and armoured troop carriers are concentrated in large formations and deployed in such a way as to give the WTO a capability for surprise attack and large-scale offensive action. Despite the recent welcome publication by the WTO of its assessment of the military balance in Europe, there is still considerable secrecy and uncertainty about its actual capabilities and intentions.*

In addressing these concerns, the Allies' primary objectives are to establish a secure and stable balance of conventional forces in Europe at lower levels, while at the same time creating greater openness about military organisation and activities in Europe.

In the Conventional Forces in Europe (CFE) talks between the 23 members of the two alliances, the Western Allies are proposing:

– reductions to an overall limit on the total holdings of armaments in Europe, concentrating on the most threatening systems, i.e. those capable of seizing and holding territory;

– a limit on the proportion of these total holdings belonging to any one country in Europe (since the security and stability of Europe require that no state exceed its legitimate needs for self-defence);

– a limit on stationed forces (thus restricting the forward deployment and concentration of Soviet forces in Eastern Europe); and,

– appropriate numerical sub-limits on forces which will apply simultaneously throughout the Atlantic to the Urals area.

These measures, taken together, will necessitate deep cuts in the WTO conventional forces which most threaten the Alliance. The resulting reductions will have to take place in such a way as to prevent circumvention, e.g. by ensuring that the armaments reduced are destroyed or otherwise disposed of. Verification measures will be required to ensure that all states have confidence that entitlements are not exceeded.

These measures alone, however, will not guarantee stability. The regime of reductions will have to be backed up by additional measures which should include measures of transparency, notification and constraint applied to the deployment, storage, movement and levels of readiness and availability of conventional forces.

In the CSBM negotiations, the Allies aim to maintain the momentum created by the successful implementation of the Stockholm Document by proposing a comprehensive package of measures to improve:

– transparency about military organisation;

– transparency and predictability of military activities;

– contacts and communication;

and have also proposed an exchange of views on military doctrine in a seminar setting.

The implementation of the Allies' proposals in the CFE negotiations and of their proposals for further confidence- and security-building measures would achieve a quantum improvement in European security. This would have important and positive consequences for Alliance policy both in the field of defence and arms control. The outcome of the CFE negotiations would provide a framework for determining the future Alliance force structure required to perform its fundamental task of preserving peace in freedom. In addition, the Allies would be willing to contemplate further steps to enhance stability and security if the immediate CFE objectives are achieved – for example, further reductions or limitations of conventional armaments and equipment, or the restructuring of armed forces to enhance defensive capabilities and further reduce offensive capabilities.

The Allies welcome the declared readiness of the Soviet Union and other WTO members to reduce their forces and adjust them towards a defensive posture and await implementation of these measures. This would be a step in the direction of redressing the imbalance in force levels existing in Europe and towards reducing the WTO capability for surprise attack. The announced reductions demon-

strate the recognition by the Soviet Union and other WTO members of the conventional imbalance, long highlighted by the Allies as a key problem of European security.

Chemical Weapons

The Soviet Union's chemical weapons stockpile poses a massive threat. The Allies are committed to conclude, at the earliest date, a worldwide, comprehensive and effectively verifiable ban on all chemical weapons.

All Alliance states subscribe to the prohibitions contained in the Geneva Protocol for the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare. The Paris Conference on the Prohibition of Chemical Weapons reaffirmed the importance of the commitments made under the Geneva Protocol and expressed the unanimous will of the international community to eliminate chemical weapons completely at an early date and thereby to prevent any recourse to their use.

The Allies wish to prohibit not only the use of these abhorrent weapons, but also their development, production, stockpiling and transfer, and to achieve the destruction of existing chemical weapons and production facilities in such a way as to ensure the undiminished security of all participants at each stage in the process. Those objectives are being pursued in the Geneva Conference on Disarmament. Pending agreement on a global ban, the Allies will enforce stringent controls on the export of commodities related to chemical weapons production. They will also attempt to stimulate more openness among states about chemical weapons capabilities in order to promote greater confidence in the effectiveness of a global ban . . .

Expulsion of Eastern European Diplomats

Despite the expulsion from Britain in May of Soviet officials for unacceptable intelligence activities, Britain has reaffirmed that it will continue to work hard to sustain the improvement in its relations with the Soviet Union. In a separate move, Britain announced on 25 May that four Czechoslovak officials would be expelled.

Soviet Expulsions

On 19 May, the Soviet Embassy was informed that 11 members of the Soviet community in London, and a further three who had recently departed, had been carrying out activities incompatible with their status and that the 11 people had to leave Britain within 14 days. The three Soviet officials who had left were declared *persona non grata*.

On 20 May, the British Ambassador in Moscow was informed by the Soviet Foreign Ministry that eight members of the British embassy staff and three British journalists would have to leave the Soviet Union within two weeks; three other former members of the British Embassy were declared *persona non grata*. In addition, a quota would be established for the personnel of the Embassy, and certain British organisations and representatives in Moscow (later announced to be 205). On 23 May, Britain asked the Soviet Government to reconsider its proposed quota, which would include Soviet employees working with the British organisations while the quota of 205 imposed in 1988 by Britain for the Soviet Embassy and other organisations in London did not include 400 British employees. Discussions on the Soviet ceiling began between the two countries. On 30 May a Foreign and Commonwealth Office spokesman stated that both sides had a strong interest in continuing the broad development of British-Soviet relations and the British Government was cautiously optimistic that the final outcome would reflect this.

British Statement

Answering a private notice question about the expulsions in the House of Commons on 22 May 1989 (*Hansard*, Vol 153, No 110, cols 681-6), the Foreign and Commonwealth Secretary, Sir Geoffrey Howe, said that, while the decision to ask the Soviet Union to withdraw its members was taken 'only after very careful consideration and on the basis of incontrovertible evidence', the Soviet Union's 'almost instant mirror-image response' had 'no possible justification'. The Soviet act was all the more to be deplored since the independence of the three British journalists was not in question. Their work, he said, had contributed directly to the recent significant improvement in British-Soviet relations. 'It was primarily to give the Soviet Union an opportunity to show that this improvement in relations extended to an area where Soviet behaviour has been at its most unregenerate that we decided not to give any initial publicity to our decision to expel members of the Soviet community,' Sir Geoffrey added.

The Soviet response to Britain's deliberate restraint showed how far the Soviet Union still had to go to live up to the standards that the free world regarded as normal, the Foreign and Commonwealth Secretary said. However, although Britain would not turn a blind eye to unacceptable activity, which threatened national security, it would continue to work to sustain the improvement in relations that had taken place and to which it attached importance.

Sir Geoffrey pointed out that 248 Soviet officials had been expelled from postings abroad during the last five years, including expulsions from Britain (see pp 309-10, 1985). In the last 12 months, 24 Soviet officials had been expelled from 12 countries. The Government had no alternative but to take action now, in the light of the mounting evidence of an accumulating risk to the security of Britain.

Expulsion of Czechoslovak Diplomats

On 25 May, the Foreign and Commonwealth Office also informed the Czechoslovak Ambassador that four members of his staff had been carrying out activities incompatible with their status and that these members would have to leave within 14 days. On the following day in Prague, three British diplo-

mats and a British foreign trade representative were asked to leave Czechoslovakia within 14 days in view of activities incompatible with their official status.

In September 1988, Britain expelled three members of the Czechoslovak Embassy, and in March 1989 a Czechoslovak illegal agent operating outside the Embassy was sentenced to ten years' imprisonment for espionage.

European Community

Britain's view of the Community's role in 'a wider Europe' has been outlined in a speech given in Switzerland by the Minister of State for Foreign and Commonwealth Affairs, Mrs Lynda Chalker. Britain has criticised a ruling by the Council of Health Ministers on 16 May giving the Community power to determine the size, shape and wording of health warnings on cigarette packets. Britain believes that Community decisions on health matters should be made unanimously and not by majority vote.

The Community and Europe

Speaking at Fribourg University in Switzerland on 2 May, Mrs Chalker said that there was now a resurgence in European self-esteem. This was due to the fact that 'the post-war era of super-power bi-polarity' was drawing to a close. Europe now had an expanding role economically, politically and in terms of sustaining the values and institutions of the free world. Also, Western Europe had become much more cohesive in recent years without losing any of its vitality or competitive spirit. With its new-found strength there was a readiness to take on the wider responsibilities which went with Western Europe's more prominent role.

Mrs Chalker said that the Single European Act had laid the basis for faster decision making, closer political co-operation, greater involvement of the European Parliament and the great leap forward of the single European market programme. Britain had done much to shape this programme, including the reform of the budget and the Common Agricultural Policy (see pp 99-100, 1988). Britain's commitment to the single European market process was total, and it had been estimated that it would produce additional growth of at least 5 per cent in the Community's gross national product and generate some 2 million additional jobs.

Some of the Community's trading partners in Europe and outside feared that they would be shut out by the single European market, but Mrs Chalker said they need have no fear. 'The Single Market is about competition, about trade liberalisation, about greater efficiency and dynamism. It would make no sense – intellectually, economically, or politically – to have internal liberalisation and external protection. That would defeat the whole object of the exercise. We all stand to benefit from a freer flow of goods and services around the world.'

EFTA

As a founding member of the European Free Trade Association (EFTA),[1] Britain had always been a strong advocate of closer co-operation between it and the Community. It was right that the countries of EFTA should be re-examining their relations with the Community in the light of the single European market programme, and it was right for the Community to respond constructively. The possibilities for even closer co-operation were beginning to be explored. It was too early to judge how relations would evolve, but the trend was clear: 'We are growing together, not apart.' Inevitably the Community's new dynamism had stimulated some EFTA members to consider applying for Community membership. This was understandable, but at least until 1992 the Community's energies would be devoted to consolidation.

Multilateral Institutions

Nor should broader European multilateral institutions, such as the Council of Europe,[2] which was about to celebrate its fortieth anniversary, be forgotten. There were new and significant developments in defence and political co-operation. The European partners in the North Atlantic Treaty Organisation (NATO) were beginning to look in a more coherent way at their defence needs. The Western European Union (see pp 355-6, 1987) was developing as a valuable forum for discussion of the range of European security issues and for action outside the NATO area, such as the recent deployment of European naval forces in the Gulf (see p 268, 1988). The process of political co-operation among the Community member states, which produced a more coherent Community voice on world issues, now extended to the economic and political aspects of security.

East-West Relations

Mrs Chalker said that the Soviet Union and a number of East European countries were now seeing a peaceful revolution and that the post-war division of Europe was being eroded in a way few would have thought possible even five years ago. She said that the countries of Eastern Europe intent upon reform were embarked on a difficult journey. 'It is a journey begun in the failure of their imposed post-war economic and political institutions, and in the full recognition of the contrast between that failure and the success of the Western models. It is a journey whose end, as yet, cannot be foreseen.' The scale of the task facing those countries which had begun the process of reform must not be underestimated. Western Europe had to be ready to encourage those who were introducing reforms, but also hard-headed enough to recognise that fundamental change would not happen overnight in Eastern Europe and that 'continuing military realities' required the West

[1]Founded in 1960. Its members are Austria, Finland, Iceland, Norway, Sweden and Switzerland. Britain ceased to be a member when it joined the European Community in 1973.

[2]The Council has 23 members (including Britain) and aims to achieve a greater unity between its members for the purpose of safeguarding and realising the ideals and principles which are their common heritage and facilitating their economic and social progress. Much of its work is in the fields of culture and human rights.

to maintain a sure defence (see pp 172-82).

Mrs Chalker did not believe that the West could by its actions significantly alter the pace of political and economic reform in the Soviet Union or elsewhere. It could, however, acknowledge progress, as the Community had done in a recent trade and co-operation agreement with Hungary. It had also to make its disapproval of retrograde steps clear, as the Community had done recently by suspending negotiations on a new agreement with Romania.[1] Lasting progress in political or economic relations could only be made on the basis of accomplished reform, not just rhetoric about future change. Mrs Chalker sensed a desire in Eastern Europe to be integrated into the mainstream of European life, including its cultural and intellectual life. If Europe protected and nurtured the traditions of openness – economic, cultural and intellectual – which were essential to its wellbeing, then there would be growing integration and prosperity in Europe, which would in turn help the cause of political stability and economic liberalism in the wider world.

Health Ministers' Meeting

The Community's health ministers met in Brussels on 16 May, when they approved a directive on the labelling of tobacco products. Britain was the only country to vote against the directive. The new rules, which will come into effect in 1993, require manufacturers to print the warning 'Tobacco seriously damages health' on the front of cigarette packets and a second warning, chosen from a given list of 16, on the back. Other provisions are that tar and nicotine levels must be indicated clearly on packets, the indication covering at least 4 per cent of the surface it is printed on. In Britain, cigarette manufacturers currently agree warnings with the Government.[2]

Background

Under the treaties by which the European Community is governed, major decisions on policy and legislation are made by the Council of Ministers, which has the power to make regulations or directives which are binding on member states. Major questions of policy or principle normally require unanimous agreement in the Council, but many other issues are decided by majority voting. The Council consists of a representative (minister) from each member state, together with at least one European Commissioner, but membership changes according to the subject for discussion: if the subject on the agenda is agriculture, for example, then agricultural ministers attend; if it is health, as on 16 May, the Council is made up of Community health ministers. The Single European Act, signed in 1986 (see pp 143-4, 1986), facilitates a greater use of majority voting on matters concerning the implementation of the single European market by 1992, although unanimity is retained for some matters, including taxation, deemed to be of vital importance to the national policies of member states. Where there may be doubt as to whether a particular issue comes under the majority vote or requires unanimity, the question can be referred to the European Court.

Health Secretary's Comment

The Secretary of State for Health, Mr Kenneth Clarke, said after the meeting that Britain had not voted against health warnings: the Government continued to believe that strong warnings should be given to the public. He had voted against the resolution because he did not believe that the Community should set out in detail the size, shape and wording of warnings on cigarette packets in Britain – this was for Parliament to decide. The claim that the move was necessary to achieve the single European market was 'a paper-thin invention to give the Community power over health matters which it would not otherwise have'.

Prime Minister's Statements

Answering questions in the House of Commons (*Hansard*, Vol 153, No 106, cols 162-6) the Prime Minister, Mrs Margaret Thatcher, said that Britain's vision of the European Community was 'a vision of sovereign states co-operating freely in those things that we can do better together than we can do ourselves'. Britain would resist proposals that would prevent it from taking its own decisions on taxation. The Government also believed that some decisions concerning animal and health regulations should be decided by unanimous vote. She said that Britain would consider its next steps very carefully.

[1] On 24 April the Council of Ministers agreed to suspend negotiations between the Community and Romania for a trade and commercial co-operation agreement because of the Romanian Government's continued failure to meet its commitments under the Helsinki process (see pp 43-9), in particular in the field of human rights.

[2] For further information, see COI reference paper No 197/87, *Smoking and Health in Britain*.

Britain's Relations with China

Britain has joined other governments in deploring the violent suppression by units of the Chinese People's Liberation Army of peaceful and popular demonstrations in Peking in June. On 6 June Britain announced the suspension of all scheduled ministerial exchanges with the People's Republic of China and of all high-level military contacts, and a ban on all arms sales.

Background

The current unrest in China started in mid-April when, after the death of the reformist Chinese Communist leader (Mr Hu Yaobang), students in Peking and in the larger provincial cities demonstrated for democracy and freedom and against corruption and bureaucracy. These demonstrations were soon increasingly being supported by other sections of the population: writers and journalists (calling for freedom of publication), workers and peasants. In Peking on 14 May, a hunger strike of up to 3,000 students began in Tiananmen Square during a visit to China of the Soviet President, Mr Mikhail Gorbachev. Street demonstrations spread to many provincial cities on 18 and 19 May; around 100,000 people, for instance, took part in a march in Guiyang, the capital of the southern province of

Guizhou, on 19 May. When the Chinese Premier, Mr Li Peng, met student leaders in the Great Hall in Peking, reports estimated that some 1 million people were in the city supporting the movement for democracy.

Although martial law was proclaimed in Peking on 20 May banning processions, strikes, petitions, and making of speeches, demonstrations continued. An attempt to halt the unrest in the capital with the use of unarmed soldiers failed because of the huge number of people protesting. On 30 May, the Chinese Premier said that the civil unrest was the result of the unchecked spread of liberalisation and was aimed at introducing 'the so-called democracy, freedom and human rights of the West'. In Peking during the weekend of 3 and 4 June, in an operation to clear Tiananmen Square, armoured units of the Chinese People's Liberation Army (PLA) opened fire, causing the death or injury of thousands of students and other innocent civilians. Further casualties among the civil population were reported during the following days as the PLA tried to disperse protesters and innocent bystanders in the streets of Peking. The news of the massacre led to more demonstrations in Nanjing (in the eastern province of Jaingsu), Changhsa (Hunan), Xian, Wuhun (Hubei), Shanghai (Jiangsu), Canton (north-west of Hong Kong), Tianjin (south-east of Peking), and Qingdao (Shandong).

Following the enforcement of martial law by the PLA and the security services, the Chinese authorities said that by 11 June they had arrested 600 people in Peking and in other provincial cities who were connected with the student-led movement for democracy.

On 7 June Britain announced that it would evacuate non-essential diplomatic staff and their dependants in Peking; British tourists and students were also advised to leave. (Before the crisis, there were some 860 British people working in China, 500 of whom were living in Peking and Shanghai.) The United States evacuated 340 nationals (including diplomatic staff) on 8 June; other foreign nationals working in China have also been requested to leave by their governments.

Several major demonstrations supporting the movement for democracy in China have taken place in Hong Kong, a British dependency which will be returned to Chinese sovereignty in 1997 under the provisions of the British-Chinese joint declaration signed in 1984 (see pp 368-74, 1984 and pp 16-17, 1985). The actions of the Chinese Government have also given rise to concern in Hong Kong about the territory's future.

British Views

In a statement in the House of Commons on 6 June (*Hansard*, Vol 154, No 115, cols 30-3), the Foreign and Commonwealth Secretary, Sir Geoffrey Howe, said that all members of Parliament shared the worldwide sense of horror and would join in the international condemnation of the slaughter of innocent people, following the violent suppression of peaceful and popular demonstrations in Peking. Sir Geoffrey told the House that the Chinese charge d'affaires had been informed on 5 June that the British Government and people were united in condemning 'the merciless treatment of peaceful demonstrators, and deeply deplored the use of force to suppress the democratic aspirations of the Chinese people'. The Government looked to the Chinese authorities to fulfil their obligations to Hong Kong in the 1984 joint declaration, and had reminded the charge d'affaires of the responsibilities of the Chinese Government to ensure the safety of British citizens and Hong Kong residents. Britain had also expressed concern at the maltreatment of British journalists.

Sir Geoffrey said that, although there had been a substantial improvement in relations between Britain and China since the cultural revolution,[1] there could be no question, in present circumstances, of continuing normal business with the Chinese authorities. The Government had decided that:

1 all scheduled ministerial exchanges between Britain and China would be suspended;

2 the proposed visit of the Prince and Princess of Wales to China in November could not take place 'so long as those responsible for the atrocities over the past weekend remain in control of the Chinese Government';

3 all high-level military contacts with China would be suspended; and

4 all arms sales to China would be banned.

The Government was examining how it could respond to any requests for humanitarian assistance from non-governmental organisations.

The Foreign and Commonwealth Secretary said that the Chinese people were seeking from their Communist leadership rights and liberties which were taken for granted in the free world. The slaughter in Peking was a tragic setback to the campaign for democracy. However, he concluded, 'China cannot ignore the lessons which are being learned elsewhere in the world. Economic prosperity and personal liberty go hand in hand. People will not forever tolerate government by repression.'

Hong Kong

The Foreign and Commonwealth Secretary said the Government understood and shared the grave concern felt by the people of Hong Kong. Everything that had been accomplished in Hong Kong had been achieved in the unique context of the geography and history of the territory and by the talent and enterprise of its people, Sir Geoffrey continued. 'All of that underlines the extent to which the future prosperity of Hong Kong must depend on a successful and secure partnership with the Government and people of China. That objective is enshrined in the commitments made by the British Government and the Government of China under the joint declaration.' These commitments had been reaffirmed by the Chinese charge d'affaires on 5 June.

However, it was self-evident that, if Britain was to have confidence in China's commitments, there had to be a stable and responsible government in Peking. The British Government would stand by its obligations under the joint declaration and looked to the Chinese authorities 'to live up to that international

[1] In 1988 trade between Britain and China was £456 million. Aid and trade agreements involving funds for development projects with a value of £900 million were signed in 1988 (see pp 341 and 369, 1988). In May a group of British companies signed a six-year agreement with the Chinese provinces, covering chemicals, consumer goods, electronics, and metallurgy.

commitment as well'.

Events in Peking had to affect the prospects and procedure for the implementation of the joint declaration, Sir Geoffrey said. Consultations about the second draft of the Basic Law for Hong Kong had been suspended (see pp 265-67, 1988); it would be difficult to see how British contacts with Chinese authorities about the future of the dependency could continue in present circumstances. Britain would also be conducting a thorough examination of the programme for advancing and consolidating effective democracy in Hong Kong (see pp 45-6, 1988), as well as considering urgently what further steps could be taken to enshrine and protect Hong Kong's freedoms and way of life after 1997.

The British Government shared the House of Commons' desire to do everything it could to enhance the security of the people of Hong Kong, Sir Geoffrey said, and was looking urgently and sympathetically at the scope for flexibilty. However, the House had to appreciate the reason why it could not easily contemplate a massive new immigration commitment which could more than double Britain's ethnic minority population.[1] 'Our overriding aim must be to do everything possible to secure the continuation of those conditions in Hong Kong that have led to its outstanding success over the last century,' he added.

Responding to questions in the House of Commons on 8 June (*Hansard*, Vol 154, No 117, cols 364-5), the Prime Minister, Mrs Margaret Thatcher, said that the Government was prepared 'to consider ways of obtaining greater flexibility under the present rules to allow an increasing number of people to come to this country under the several different limbs of the immigration rules and the British Nationality Act 1981. We shall consider that matter carefully in the coming days and, if need be, come to the House if we need additional powers'.

On 9 June it was announced that the Foreign and Commonwealth Secretary will visit Hong Kong in early July.

International Reaction

Referring on 5 June to the PLA firing in Tiananmen Square, the United States President, Mr George Bush, said that the United States could not ignore the consequences that the attack would have on US-Chinese relations, and announced that government and commercial arms sales and visits between US and Chinese military would be suspended. He offered to review requests by the 40,000 Chinese students in the United States to extend their stay and offered humanitarian and medical assistance through the Red Cross to those injured during the repression.

In a statement on 5 June, the United Nations Secretary-General, Sr Perez de Cuellar, was saddened that it was felt necessary to resort to force in Peking and that many civilian lives were lost. While he was 'mindful of the Charter's requirement that the United Nations should abstain from intervention in regard to matters that are essentially within the domestic jurisdiction of states', he hoped that 'utmost restraint will be exercised in the difficult situation that prevails'.

[1]Under the 1981 Immigration Act, Hong Kong residents have no right of abode in Britain (see pp 39-40, 1986).

On 6 June, the 12 European Community member states said that the continuing repression and refusal to recognise human rights in China would 'greatly prejudice China's international standing and compromise the reform and open-door policies which the European Community and its member states have actively supported'. The twelve announced that all high-level contacts with the Chinese authorities were to be suspended.

Commonwealth Development Corporation

The annual report of the Commonwealth Development Corporation[1], published in May, shows that the Corporation undertook new commitments totalling £147·8 million to 22 developing countries in 1988. Actual disbursements amounted to £118 million. Estimated total commitments at the end of the year were £1,099·8 million, of which £316·9 million was for basic development, including power and water, telecommunications, housing finance and transport; £567·7 million for primary production and processing; and £215·2 million for industry and commerce.

Established in 1948, the Commonwealth Development Corporation (CDC) is financed largely by loans from the Government's aid programme and supports economic growth in developing countries by investing in productive enterprises in the public or private sector. It is authorised to operate in any developing country subject to ministerial approval. At the end of 1988 it operated in over 50 countries. It undertakes investments either alone or in association with others – in 1988, £236 million was contributed by other investors to co-financing new commitments – and is required to pay its way, thus combining development objectives with a broadly commercial approach so as to provide a reasonable rate of return on its investments. Close relations with overseas governments are maintained through the Corporation's overseas offices in order to ensure that its activities are directed in such a way as best to promote the economic development of the country concerned. The value of the Corporation's total commitment by region is shown in the table.

CDC Total Commitments by Region 1988

£ million

Area	
Africa	466·6
Asia	313·7
Caribbean and Latin America	185·5
Pacific Islands	128·6
Other areas	5·4
Total	1099·8

[1]*Commonwealth Development Corporation: Report and Accounts 1988*. Available on written request from the Corporation at 1 Bessborough Gardens, London SW1V 2JQ. ISBN 0 903799 21 9.

Among the major new commitments in Africa in 1988 were £5·73 million to the Sable Farming Company, a multi-crop farming group in Malawi; £6·5 million in development finance to the Zimbabwe Development Bank; and £8·5 million to the Rubber Outgrowers Project in Ivory Coast, which will be used for the planting, mainly by small farmers, of a total of 15,900 hectares (39,289 acres) of new rubber trees and the maintenance of 5,990 hectares (14,800 acres) of existing trees.

The Corporation made its first disbursements to India and Pakistan in 1988. It committed £21·68 million to four projects in India, three of which were new industrial projects for the production of oxo-alcohol, which is employed in the manufacture of plastics and solvents; power steering units; and instant coffee for export. The fourth commitment was to a credit and investment company which provides development finance for the shipping and deep-sea fishing industries.

Communications is an expanding area within CDC's portfolio, and £19·25 million was committed to Jamaica Telephone Company Ltd for a five-year programme of rehabilitation and expansion. Operational guidelines have been drawn up to ensure that environmental considerations are given more weight in projects assisted by CDC. One of the Corporation's new commitments in the Pacific Islands in 1988 was to a company which will establish 11,300 hectares (27,900 acres) of hardwood forest on previously logged land at Kolombangara in the Solomon Islands, with special emphasis being placed on protecting the physical and social environment.

It is estimated that the new commitments will create 8,000 new permanent jobs; bring over 42,000 hectares (103,000 acres) under cultivation; install 40,000 new telephone lines; produce some 12,500 tonnes of yarn, 27,000 tonnes of petrochemicals and 7,500 power steering units per year; and earn foreign exchange of at least £60 million a year for the countries concerned.

Shorter Note

FUTURE DEPLOYMENT OF GURKHAS

The British Government has announced its plans for the future of the Brigade of Gurkhas after Britain's withdrawal from Hong Kong in 1997.

In 1984 Britain and the People's Republic of China signed an agreement providing for the ending of British sovereignty over Hong Kong (see pp 368-74, 1984, and 16-17, 1985). The present role of the Gurkhas stationed in Hong Kong is to reinforce security there.

In a statement made in the House of Commons on 22 May 1989, Mr George Younger, the Secretary of State for Defence, said that, although the Hong Kong commitment would have ceased, a brigade of four Gurkha battalions (with support units of engineers, signals and transport) was being planned for after 1997. Comprising about 4,000 personnel, the four battalions will have three, as against the current four, companies each and would have roles that lay within the mainstream of the Army's defence commitments. As now, there would be a substantial Gurkha presence in Britain.

Mr Younger said that there would be no reduction in Gurkha strength until at least 1992 when the first battalion would be withdrawn from Hong Kong. He also explained that the projected figure of 4,000 after 1997 was a minimum number, since difficulties in Britain over recruitment in the Army as a result of demographic factors could lead to an increase in the number of Gurkhas to be retained.

Gurkha units from Nepal have been serving the British Crown for over 155 years. Some 200,000 enlisted in the Gurkhas in the First World War and during both world wars 45,000 became casualties. On the independence of India in 1948 four Gurkha regiments became an integral part of the British Army, forming the Brigade of Gurkhas. The current strength is over 8,000. One Gurkha battalion was disbanded in 1987.

Source: *Hansard*, Vol 153, No 110, cols 687-94.

Industrial Research and Development

In a speech on 9 May the Parliamentary Under-Secretary of State for Industry and Consumer Affairs, Mr Eric Forth, encouraged British companies to devote more resources to research and development. He outlined government policy on the support of industrial research and stressed the importance of the approaching single European market.

Mr Forth was addressing a conference organised jointly by the Confederation of British Industry and the Association of Industrial Research and Technology Organisations (AIRTO). He referred to the most recent survey of industrial research and development (R&D) in Britain (see p 66), which had shown that industry's own funding of R&D had increased in real terms by 30 per cent in the four years to 1987.[1] Similarly, in this year's Queen's Awards for Technological Achievement (see pp 194-6), a majority of the 40 winners had funded the development of their innovations from within their own companies. Mr Forth welcomed the trend and expected it to continue in view of the increase in manufacturing profitability in 1987. However, the level of investment in R&D by British industry, at about 1 per cent of gross domestic product, while higher than that in France and Italy, was below that in Japan (1·8 per cent), the Federal Republic of Germany (1·6 per cent) and the United States (1·3 per cent).

The survey had also shown, Mr Forth went on, that 74 enterprises accounted for 75 per cent of industry's R&D spending. The extent of this investment was influenced by the perceptions shareholders and financial institutions had of the companies concerned. It was notable that Pilkington Brothers had developed the float glass process, an example of an outstandingly successful innovation by British industry, while still a private company.[2] There had subsequently been a feeling within the company that, if it had had to answer to shareholders interested just in short-term performance, it would have been far more difficult to sustain the level of expenditure which finally brought success.

[1]For further information see COI reference paper *Industrial Research and Development in Britain*, No 297/88.

[2]Other examples may be found in COI reference paper *British Achievements in Science and Technology*, No 111/87.

Government Policy

One of the prime aims of the Government was to establish a favourable economic climate, and the low corporation tax in Britain of 35 per cent for large firms and 25 per cent for small firms left industry with more resources available for innovation. Against this tax background the Government had not thought it appropriate to introduce special tax incentives for R&D, which a government survey of international practices in 1987 had shown to be inefficient. On the other hand, Mr Forth said, it welcomed the decision of the accounting professional bodies to adopt a standard requiring public limited companies and larger private companies to disclose expenditure on R&D in their annual reports.

The more favourable economic climate had influenced the Government's view of the support of industrial R&D. Industry was now well placed to finance the bulk of the R&D it undertook, particularly where this was close to market development. Firms, not the Government, were best able to assess their own markets and balance the commercial risks and rewards of financing innovation. The innovation policy of the Department of Trade and Industry (DTI) was thus focused primarily on circumstances where research was necessary before commercial applications could be developed, or where the benefits of research were likely to be widespread (see pp 60-61, 1988).

The DTI's Research and Technology Initiative thus concentrated on collaborative programmes of longer-term research between companies, on encouraging collaboration between companies and higher education institutions and on collaboration between British companies and their partners elsewhere in Europe.

Mr Forth referred to the main research initiatives: LINK (see pp 29-30, 1987), which encouraged links between companies and higher education institutions; EUREKA (see p 246, 1988), which encouraged industrially led projects with European Community and other European partners; the Advanced Technology Programme; and the General Industrial Collaborative Programme, for support of research and technology organisations and collaborative projects not covered by the other three initiatives.

The Government was not only concerned with research but also sought to ensure that new technologies and best practice were fully exploited by industry. The DTI supported a variety of technology transfer activities under the Research and Technology Initiative; and various elements of the con-

sultancies provided under the wider Enterprise Initiative (see pp 53-62, 1988) helped put firms in a position to devote resources to R&D and innovation with a much greater chance that this investment would be successful.

Single European Market

Mr Forth went on to consider the implications of the approaching single European market (see p 49). R&D and innovation would constitute a key element, he said, and it was important that British companies were prepared to seize the opportunities that it would present. The Government encouraged British involvement in the European Community Framework R&D Programme, particularly those elements of it which had the greatest industrial relevance such as ESPRIT (see p 285, 1988), which covered advanced information technology, and BRITE/EURAM (see pp 66-7), which was concerned with advanced manufacturing and materials, and in both of which there was substantial British participation. The Government was also seeking to ensure that the recently enlarged SPRINT technology transfer programme[1] would be well directed to serve general industrial needs.

In the future, Mr Forth said, it was probably fair to expect that the overall size and importance of European Community R&D would increase, and British companies had to be prepared to seek out the opportunities presented and participate with their European partners. The introduction of the single European market should provide increased opportunities for the research and technology organisations which were members of the AIRTO. They would find a much enlarged market available to them and, conversely, British industry would have easier access to similar organisations in Europe.

Roads

The Government has announced a substantial expansion of the motorway and trunk road programme in England, and developments elsewhere in Great Britain are also planned. Expansion is designed to improve the inter-urban motorway and trunk road network by reducing journey times and increasing the reliability of road travel. The Government is consulting about proposals for a greater involvement of the private sector in roadbuilding.

Details of the Government's programme for the expansion of motorways and trunk roads in England were given in a White Paper, published on 18 May.[2] In a statement in the House of Commons (*Hansard*, Vol 153, No 108, cols 487-9), the Secretary of State for Transport, Mr Paul Channon, said that the unprecedented economic growth of recent years had stimulated the demand for transport to levels well above those forecast. Economic progress had to be maintained and the needs of business met to ensure that it could take advantage of the major opportunities of the single European market in 1992 (see p 49) and the opening of the Channel Tunnel in 1993 (see p 58-63, 1986, and pp 159-60).

In the light of new forecasts of substantially higher growth in the future, the Government had concluded that additional transport capacity was required and should be concentrated on widening existing roads and building new ones. Improving major routes for through traffic would bring 'widespread benefits to the regions and the inner cities by providing better links throughout the country'. The programme would make a major contribution towards a modern transport infrastructure.

WHITE PAPER

The White Paper is concerned with the inter-urban motorway and trunk road network, which carries some 30 per cent of traffic including 40 per cent of heavy goods vehicle traffic. It says that the expanded programme will reduce journey times and increase the reliability of road travel, and be 'a vital further boost for British industry'.

Congestion

One of the consequences of the recent economic growth, the White Paper says, has been a very large increase in the demand for all forms of transport. Traffic on the roads in Great Britain has risen by 35 per cent since 1980, with traffic on motorways nearly doubling and on trunk roads rising by about 50 per cent. The number of vehicles has increased by 3 million since 1980 to over 23 million at the end of 1988. Congestion has occurred, not only in urban areas (where traffic management is being employed to ease delays), but also on journeys between cities.

The Government has considered various ways to eliminate unacceptable levels of congestion. The White Paper says that, although railways have an important contribution to make, they would be able to accommodate only a small part of the increase in overall demand for transport, while traffic management measures (which would continue to make an important contribution in city and town centres) would also make little impact on the large increase in traffic. The Government has concluded that the main method of meeting the increased demand should be to widen existing roads and build new roads in a greatly expanded road programme.

Traffic Forecasts

In 1988 motor vehicle traffic in Great Britain was 330,000 million vehicle-km (205,000 million vehicle-miles), of which cars accounted for 82 per cent, light goods vehicles 9 per cent, heavy goods vehicles 8 per cent and buses and coaches 1 per cent. New national traffic forecasts included in the White Paper estimate an increase in traffic by 2025 of between 83 and 142 per cent, a considerably higher increase than previous forecasts issued in 1984, reflecting a higher forecast level of economic growth. Car ownership and usage will continue to rise, with a

[1] SPRINT (Strategic Programme for Innovation and Technology Transfer) was launched in in 1983 with funding in its first five years of some £12 million. It aims particularly at helping small and medium-sized businesses by facilitating the sharing of technology and aids to innovation across national boundaries.

[2] *Roads for Prosperity*. Cm 693. Department of Transport. HMSO, £5-20. ISBN 0 10 106932 4.

growing proportion of women and of older people driving cars.

The White Paper says that the forecast higher levels of traffic would make traffic congestion on the main inter-urban routes significantly worse, with increasing delays and costs. It would make British industry less able to compete internationally, as well as leading to great inconvenience and cost for other road users, and the Government is not willing to accept this outcome.

Objectives

The White Paper says that the fundamental objectives of the trunk road programme are to assist economic growth by reducing transport costs, to improve the environment by removing through traffic from unsuitable roads in towns and villages, and to enhance road safety. The new emphasis on relieving inter-urban congestion is consistent with these objectives. Although it is not possible or economic to remove congestion completely, the case for investment on a substantial scale to relieve congestion on the major inter-urban routes is clear.

Programme

The motorway and trunk road programme in England is to be more than doubled, the White Paper continues, to over £12,000 million, resulting in the addition of over 4,300 km (2,700 miles) of new or widened roads to the trunk road network, which amounted to 10,500 km (6,500 miles) in 1987. The emphasis of the programme has been switched towards schemes relieving congestion on the most heavily used parts of the network, particularly schemes which meet the needs of industry for better communications.

The current motorway programme includes the final section of the M3 motorway from London to Southampton, the remaining section between Maidstone and Ashford of the M20 motorway, the M40 extension from Oxford to Birmingham, and orbital routes around Birmingham and Manchester.[1] The additions to the programme feature widening and junction improvements on several motorways (see Table) including a widening of the M25 London orbital motorway (the most heavily used road in Britain) so that its entire length will be dual four-lane standard. New motorways are proposed to the west and north of Manchester, and between Chelmsford and the M25. A series of major studies is planned for new routes including a trans-Pennine link, providing additional capacity between south Lancashire and Yorkshire; a further crossing of the Thames to the east of Dartford; and an east-west strategic route between Kent and Hampshire.

The White Paper says that administrative procedures are being speeded up. At present it takes some 10 to 15 years to plan, design and build a major trunk road, but targets have been set for reducing this by four years, while continuing to protect the rights of individuals and others affected by specific schemes.

Economic and Environmental Impact

The White Paper says that the schemes in the expanded programme are projected to achieve a high rate of return; economic benefits from road schemes are on average nearly twice the cost of construction. As the programme's emphasis is on increasing the capacity of existing routes, this will help to minimise the impact on the environment. Environmental protection will continue as a major feature of the Government's road construction plans, complementing its commitment to eliminate lead from petrol and to secure reductions in vehicle emissions and noise.

WALES

Details of the Government's proposals for the development of the motorway and trunk road net

[1]For further information on the motorway and trunk road network including a map see COI reference paper *Britain's Motorways and Trunk Roads*, No 156/87.

Additions to the Trunk Motorway Construction Programme

Motorways	Estimated cost of widening and junction improvement (£ million)	Length of widening (km)
M1 London to Leeds	967	233
M3 London to Southampton	41	19
M4 London to Severn Bridge	163	43
M5 Birmingham to Exeter	183	39
M6 Leicestershire to Scottish Border	692	129
M11 London to Cambridge	81	40
M20 London to Folkestone	25	10
M23 London to Crawley	30	11
M25 London orbital	1,000	172
M40 London to Birmingham	67	19
M42 Birmingham	185	34
M56 Manchester to Chester	23	3
M62 Merseyside to Humberside	149	34
M63 Manchester	20	5
A1(M) London to Scottish Border	334	121

Note: Excludes new motorway routes and two small junction improvement schemes. In most cases the schemes do not involve widening of the whole length of a motorway.

work in Wales are given in *Roads in Wales: Progress and Plans for the 1990s* (for publication details see p 214). It records the progress made in achieving the two broad strategic objectives for roads set out in 1983 of upgrading the east-west A55 route in north Wales and continued improvement of the M4 and associated roads in south Wales. About two-thirds of the A55 has been upgraded to dual carriageway standards, and £160 million has been invested in a tunnel under the Conwy Estuary, the first immersed tube road tunnel in Britain.

A high rate of investment is planned in the 1990s, with priority being given to completion of the A55 upgrading, improvements to the M4 and selective improvement of the two roads to give better north-south access. Over 80 km (50 miles) of further major road improvements are in progress or planned to start by March 1991, involving expenditure of over £500 million. The most important road link to south Wales is the M4 Severn Bridge which is being strengthened and resurfaced. The Government has made clear its commitment, subject to parliamentary approval, to provide a second crossing of the Severn on the M4, and the private sector is tendering for this project.

SCOTLAND

Developments of the trunk road network in Scotland were outlined by the Secretary of State for Scotland, Mr Malcolm Rifkind, in the House of Commons on 18 May (*Hansard*, Vol 153, No 110, written answers, cols 305-8). Mr Rifkind said that additional funds were being made available for improving the road network in Scotland, and he placed major emphasis on improving inter-urban roads. The largest single project was the completion of the M74 motorway from Glasgow to Carlisle, where it would meet the M6 and provide a connection to the motorway network in England. Priority was also being given to the completion of the motorway network in central Scotland where eight motorway schemes were planned.

PRIVATE FINANCE FOR ROADS

New procedures for the authorisation of privately financed roads are suggested in a Green Paper issued on 22 May.[1] It says that the Government wishes to encourage greater private sector involvement in the provision of roads in Great Britain, and seeks comments on its proposals by 14 July.

Existing Private Sector Involvement

The Green Paper points out that trunk road construction and the majority of detailed planning, design and supervision are already carried out in the private sector, and the Government's aim is to extend the private sector's role in the promotion, finance and operation of roads. In addition, a number of transport infrastructure projects are being developed by the private sector including the Channel Tunnel, an extension to the Docklands Light Railway in London and the Dartford-Thurrock bridge (see p 364, 1986), while British Rail has invited the private sector to participate in the proposed rail link to the Channel Tunnel (see pp 159-60).

[1] *New Roads by New Means – Bringing in Private Finance.* Cm 698. Department of Transport. HMSO, £3·10. ISBN 0 10 106982 0.

Access to trunk routes and other primary routes may sometimes be wholly or partly funded by a developer to accommodate the traffic arising from a major project (such as a shopping centre), and a growing number of schemes are being financed in this way. The Government is proposing to introduce legislation as soon as possible to facilitate new roads financed by developers.

Roads Financed by Tolls

The Green Paper examines the factors involved in the private financing of roads by tolls. Privately financed roads would be an integral part of the national highway network and the appropriate Secretary of State would be the highway authority, although many of the functions involved would be delegated to the private operator which would finance the road and collect the tolls. Possible applications would be estuarial crossings (which would generally offer a significant time saving as they would usually provide the only direct route) and new routes which offered significant benefits by avoiding congestion and for which enough people were willing to pay to finance the scheme; the latter might include lanes limited to particular types of vehicle (such as cars). It would not normally be necessary for the Government to seek to limit the level of tolls except where there was a monopoly (such as an estuarial crossing).

Procedures for such schemes would need to establish as speedy a process as possible, safeguard the rights of individuals, and avoid the need for a Bill for each project. Projects would have to comply with the same environmental requirements as a government scheme. Schemes might arise either from proposals put forward by private sector promoters for consideration, or from the Secretary of State identifying a corridor and inviting competitive bids from promoters for the corridor. The Government is proposing to introduce legislation at the earliest opportunity to amend the Highways Act 1980 to authorise the necessary procedures.

Privately financed tolled roads would take the form of concessions, similar to the arrangements for the Channel Tunnel project, and the Secretary of State would usually grant a concession after a competition. Competitions would help to ensure the best value for road users. European Community law requires that concessions should be the subject of competitions and exclusive rights would not therefore normally be conferred on promoters. However, originators of ideas would be placed on the short list for the competition. No government financial guarantees would be involved, and the Government would not be able to give a guarantee not to build a road that might compete with a privately funded road, although some limited guarantees might be given. At the end of the concession period the assets would revert to the Government.

The Green Paper looks at the possible effect of private financing on the Government's total expenditure on roads, which has been of concern to the private sector. The Government gives an assurance that it will not subtract privately financed roads from public sector provision on a scheme-by-scheme basis. It believes that private sector schemes will provide the opportunity for more roads than would otherwise have been built.

Competitions

The Green Paper announces the Government's intention to establish a competition for a privately financed scheme to increase road capacity in the corridor between Birmingham and Manchester, while the Secretary of State for Transport has also announced a competition to enable consideration of privately financed options for a northern relief road for Birmingham, where the current proposal is for a publicly financed motorway costing some £200 million.

The Global Environment

Britain has called for the urgent consideration of a framework convention on climate change and for increased resources to strengthen the United Nations Environment Programme. The Government favours using existing bilateral and multilateral aid channels to assist developing countries to adopt technologies free of chlorofluorocarbons.

In a speech to the governing council of the United Nations Environment Programme (UNEP) in Nairobi on 15 May, Lord Caithness, Minister of State for the Environment, set out the Government's views on the major global environmental issues, including global warming (see pp 107-8). He said that since the last governing council in 1987 much progress had been made, and that the concept of sustainable development, as outlined in the Brundtland Report (see pp 305-9, 1988) was now accepted as a fundamental part of long-term economic development.

The Montreal Protocol to the Vienna Convention on the Protection of the Ozone Layer (which came into force in January 1989 – see pp 247, 1988 and 105-7) had been a notable landmark, as the first global agreement to lay down specific measures to tackle a global environmental problem. In order to heighten awareness of stratospheric ozone depletion, Britain had hosted a major conference in London in March on 'Saving the Ozone Layer' (see pp 105-7),[1] whose outcome had been unanimous support for the objective of phasing out ozone-depleting chemicals as soon as possible. The meetings at Vienna, Montreal, London and Helsinki (see below) had proved that countries could co-operate to take action to achieve sustainable development.

The Minister said that the adoption earlier in 1989 of the Basle Convention on Hazardous Wastes, which would prevent the disposal of waste by one country in another without proper safeguards, had been another outstanding example of UNEP's recent work. He was confident that Britain would be able to sign the Convention once the text had been scrutinised.

The greatest environmental challenge was climate change, to which priority would have to be given in the next few years. Britain was urgently seeking support for a framework convention on climate change which could follow the pattern of the Vienna Convention and the Montreal Protocol. Principles and guidelines must first be negotiated, following which more specific protocols could be developed, drawing on the recommendations of the Inter-governmental Panel on Climate Change.[1]

Lord Caithness said that 'the future of UNEP was the future of the world's environment'. It had a central role in co-ordinating the environmental work of the United Nations, and would need increased resources to carry out its tasks and to prepare for the major United Nations conference on the environment in 1992. Britain had more than doubled its financial support for UNEP in 1989 [from £1·25 million to £3 million – see p 106], and was urging other countries to follow its lead. UNEP could then be strengthened and possibly take on additional functions, for example, as a mediator in disputes between states or directly responding to major industrial accidents.

Climate Change

In a speech to the United Nations Economic and Social Council in New York on 8 May, Sir Crispin Tickell, Britain's Permanent Representative to the United Nations, said that the Government had taken advice from scientists, industrialists, politicians and academics in forming its view that, despite the great uncertainties concerning global climate change, urgent action was required. Britain believed that action should be taken by the international community in three main areas: first, by setting up a framework in which to operate; secondly, by considering appropriate institutions; and thirdly, by establishing a basis for action to manage the consequences of a warmer world.

Britain was contributing to the work of the Intergovernmental Panel on Climate Change, which would lead to a comprehensive review and recommendations in 1990. Principles and guidelines for a simple framework convention on 'good climatic behaviour', which Britain would like to see established as soon as possible, should not prove difficult to draft and could be completed fairly soon. Specific protocols could be fitted into the framework as scientific evidence required and permitted, following the precedent of the Montreal Protocol.

Sir Crispin said that in Britain's view there was no need to create new institutions (see p 106). Britain believed that the best use should be made of existing institutions, such as the World Meteorological Organisation, UNEP, the World Climate Programme and the Inter-governmental Panel on Climate Change, if necessary adapting them to changing circumstances. In addition to the strengthening of UNEP with additional resources, Britain proposed that consideration should be given to promoting it to the status of a specialised agency. The Intergovernmental Panel on Climate Change, which would normally cease to function after the publication of its report, could perhaps continue its work in the form of an inter-governmental commission, whose task would be to provide the secretariat for and monitor the global framework convention on climate.

[1]This article was offprinted as *Saving the Ozone Layer: Conclusions of the London Conference*, COI reference paper No 327/89. For further information on the ozone problem see COI reference paper No 321/89, *Saving the Ozone Layer: London Conference*.

[1]Established by UNEP and the World Meteorological Organisation.

The older industrialised countries should give the lead in action to cope with the international problem of global warming and be ready to help the rest of the world, Sir Crispin said. The problem arose substantially from the process of industrialisation, and in particular from the consumption of fossil fuels, but changes in land use, particularly deforestation, were also important. Help to developing countries could be given in many ways, through multilateral and bilateral channels. Britain would respond positively to requests for help from aid recipient countries wishing to re-equip plants to use substitutes for chlorofluorocarbons (CFCs) and to develop industries free of CFCs (see below).

Research into Global Warming

In the House of Commons on 25 May (*Hansard*, Vol 153, No 114 [Part II], written answers, col 694), the Prime Minister, Mrs Margaret Thatcher, said that the Government was spending over £15 million in 1989-90 on research and development directly relevant to the understanding of climate change and global warming, and that this figure was likely to increase. In addition, a number of departments were undertaking research and development work which would be relevant to the mitigation of the consequences of climate change. The Government was providing £760,000 over two years in support of a major assessment of the scientific position on climate change, being carried out by a British-led working group of the Inter-governmental Panel.

The Central Electricity Generating Board has launched a research programme into global warming costing £1·25 million. The work, to be carried out over the next five years, will cover the absorption of carbon dioxide from the atmosphere by the oceans; the transference of heat from the warm surface of the ocean into deeper waters; heat and water vapour transfer from the land to the atmosphere; and cloud characteristics and their effects on the climate.

The Ozone Layer

The Secretary of State for the Environment, Mr Nicholas Ridley, in his capacity as chairman of the London Conference on 'Saving the Ozone Layer', delivered the final message from the conference (see pp 106-7) to signatories to the Montreal Protocol in Helsinki on 2 May, where they were meeting to initiate the work leading to the first review of the Protocol in 1990. The London conference had given the Montreal Protocol renewed support, he said. Now was the time 'to begin the process of sharpening its teeth in all its technical, economic, scientific and environmental aspects'.

Later in the meeting, Mr Ridley said that Britain did not favour the idea of a special fund to help developing countries make the transition to new, CFC-free technologies. It was not clear who would administer or enforce such a fund, and it could take a long time to set up. Meanwhile, Britain preferred not to delay and was ready to assist developing countries within its overseas aid programme; it had already announced an offer of £40 million of new aid to India for forestry projects and to help with the adoption of CFC-free technologies (see p 186). International bodies should be encouraged to give more multilateral aid and Britain would support studies such as those commissioned by the World Bank on alternative industrial strategies.

Shorter Notes

EXPORT CREDITS

The Government published on 5 June a review of ECGD, the official export credit insurer. The review seeks to determine the status which would best enable ECGD to meet exporters' future needs especially after the creation of the single European market (see p 49).

ECGD consists of two main operations – the Cardiff-based Insurance Services Group (covering exports on short-term credit) and the London-based Project Group (dealing with capital goods exports on medium-term credit).

The review points out that, for risk insurance (which is mainly short-term), direct government backing is not essential. For guarantees given directly to support finance (mostly in the project field), however, a full government commitment is necessary. The review goes on to say that the two main areas of activity of ECGD are already treated separately for most purposes of internal management.

After considering a number of options, the review concludes that the insurance activities of ECGD should be converted into a company wholly owned by the Government and competing with the private sector in offering short-term credit. The eventual aim would be the introduction of private capital. This alternative would permit diversification into the coverage of European Community trade generally. For project business, the review is of the opinion that there is no alternative to a government scheme if British exports are to remain competitive. Such a scheme also provides the Government with a valuable instrument for the attainment of certain objectives in the national interest. This part of ECGD should therefore continue as a government department, either independently or in amalgamation with units responsible for associated services at present in other government departments.

The Government has not yet taken any decision on the review, which it wishes to consider in detail. Publication has been carried out in order to facilitate consultation with interested parties.

Source: *ECGD. Review of Status Options for ECGD. A Report by Mr R. T. Kemp.* Available from ECGD, PO Box 272, Export House, 50 Ludgate Hill, London EC4M 7AY. £20.

PRIVATISATION OF SHORT BROTHERS

Terms have been reached for the sale by the Government of the aerospace manufacturing firm Short Brothers of Belfast to the Canadian company Bombardier. The agreement was announced in the

House of Commons on 7 June by the Secretary of State for Northern Ireland, Mr Tom King.

Mr King said that Bombardier would pay £30 million for the share capital of Shorts. For its part, the Government would offer Shorts, under its new ownership, grants of £79 million for new capital investment over the next four years and of £18 million for other costs, mainly for training. The £390 million loan advanced by the Government to Shorts earlier in 1989 to repay commercial debts for past losses would be written off, and a further loan of £275 million would be made to recapitalise the firm, to repay remaining borrowings and to meet anticipated losses on existing contracts. At least £60 million of this sum would be in the form of an interest-free loan to be progressively cancelled as specified targets are met by Shorts, but would be immediately repayable in the event of any material breach by Bombardier of commitments it had made in relation to the future of the company. Beyond the period covered by the terms of sale, the company would be eligible for industrial assistance on the same basis as other private sector companies in Northern Ireland. The agreement for the sale was subject to contract and also to a number of conditions, including the approval of the European Commission.

Mr King emphasised that Bombardier recognised the important position occupied by Shorts in the economy of Northern Ireland, and in acquiring the firm would view it as a long-term investment which would be maintained as a single entity. Bombardier intended to develop the firm's three main existing divisions of aircraft, aerostructures and missiles. Mr King noted that the scale of funding involved in the arrangements for transfer of Shorts from the public sector to the private sector illustrated clearly the problems which it had faced in public ownership and as a comparatively small enterprise in the highly competitive aerospace industry. The Government believed that, operating under the commercial disciplines of the private sector and as part of a larger group under Bombardier's ownership, the firm could once again become a successful and viable operation contributing fully to the economy of Northern Ireland.

Source: *Hansard*, Vol 154, No 116, cols 227-28.

NATIONAL ENGINEERING LABORATORY

The Secretary of State for Trade and Industry, Lord Young, announced in the House of Commons on 17 May that the National Engineering Laboratory at East Kilbride, Strathclyde, was to become a government-owned company before eventual privatisation (see p 213, 1988). In order to achieve successful privatisation, Lord Young said, restructuring and a new commercially oriented approach to business must first be established. This process could take some years.

The announcement followed the recommendation of Touche Ross Management Consultants, which had been appointed in November 1988 to undertake a detailed study of the Laboratory. It would be transferred out of the Civil Service into the ownership of a limited company to be called the National Technology Centre, whose shares would be held initially by the Government, but which could later be sold. The Laboratory would play a central role within the National Technology Centre and within the East Kilbride site, which was to be developed as a science and technology park. The necessary legislation would be brought forward as soon as possible.

Source: *Hansard (HL)*, Vol 507, No 87, written answers, col 1278; Department of Trade and Industry press notice, 17.5.89.

WELSH DEVELOPMENT INTERNATIONAL

The Welsh Development Agency's organisation to attract inward investment to Wales has been renamed Welsh Development International, in place of WINvest. In announcing the change of name on 23 May, the Secretary of State for Wales, Mr Peter Walker, said that the new title would be more recognisable overseas than the previous one. At the same time, Mr Walker announced that a new board for the organisation had been appointed, including senior businessmen with both national and international experience, headed by the chairman of the Welsh Development Agency.

Mr Walker emphasised the success of WINvest in recent years; although Wales accounted for only five per cent of Britain's population, it had attracted some 22 per cent of the jobs created or safeguarded by new inward investment in Britain in 1988 [6,000 of 27,000 jobs; a total of 56 new inward investment projects in Wales in 1988 were valued at around £1,050 million – more than 9 per cent of the value of all inward investment in Britain]. A major concentration of Japanese investment and substantial investments from the United States and other European countries already existed in Wales. Welsh Development International would help Wales to take competitive advantage of the investment opportunities which would open up with the creation of the single European market in 1992 (see p 49).

Source: Welsh Office press notice, 23.5.89.

FORESTRY

The Government has announced that up to £6 million a year could be made available to Britain under the European Community's Forestry Action Programme, agreed by the Council of Ministers on 29 May and aimed at increasing Community wood production. Under the programme, which will involve an estimated budgetary contribution of over £46 million a year in 1989-90, rising to over £131 million a year by 1992, aid will be directed at the afforestation of agricultural land, the promotion of forestry's place in rural development, the primary processing of timber products, and the protection of forests against atmospheric pollution and fire. It will provide for Community contributions towards the cost of the Woodland Grant and Farm Woodland Schemes (see p 62).

Areas qualifying for forestry aid for rural development would include Northern Ireland, the Highlands and Islands and parts of Dumfries and Galloway in Scotland, and parts of rural Wales and of Devon and Cornwall.

The European Community has 43 million hectares (106 million acres) of woodland, about 20 per cent of the total land area. Forestry employs over 2 million people in wood production, harvesting, processing and marketing. Some 115 million cubic metres[1] of wood are produced every year, but the Community harvests only half of its timber needs, the annual trade deficit varying between £10,000 million and £14,000 million. (Britain's total woodland area is some 2·27 million hectares [5·5 million acres]. British forestry employs some 40,000 people and the industry produces about 6 million cubic metres of wood a year.)

It is estimated that Community consumption of wood and wood products could increase by about 75 million cubic metres by the end of the century – about 30 per cent of current figures – and an increase in harvesting in Community forests (based on present forested areas) by the year 2000 would produce only an extra 30 million cubic metres.

The Forestry Commission has published landscape design guidelines which foresters and farmers wishing to plant under the grant schemes will be expected to follow. They apply both to new forests and to those about to be replanted. In underlining the importance of enhancing the best natural qualities of the landscape, the guidelines give advice on the incorporation into forest design of natural features and detail (such as streams, views and hilltops), the elimination of visual intrusion, the promotion of a wide range of wildlife habitats, and the operational needs of efficient woodland management. In redesigning forests, owners are required to carry out felling in stages and to use replanting as an opportunity to introduce a wider range of age classes and species, as well as to remove straight borders and replace them with irregular and natural shapes.

Sources: Forestry Commission press notice, 30.5.89; *Forest Landscape and Design Guidelines.* Forestry Commission, £3·40. Available from Forestry Commission Publications, Alice Holt Lodge, Wrecclesham, Farnham, Surrey GU10 4LH. ISBN 0 85538 227 9.

[1] 1 cubic metre = 35·316 cubic feet.

NEW LINK PROGRAMMES

The Government has announced two more programmes under the LINK scheme (see pp 29-30, 1987), bringing the number so far to 14.

A five-year Design of High Speed Machinery programme was launched on 10 May. It will be jointly supported by the Department of Trade and Industry and the Science and Engineering Research Council (SERC), each contributing up to £5 million. The programme offers the prospect of improving the speed, quality and variety of machinery in a wide range of industries. It will develop machines which use distributed microprocessor-controlled drives rather than central motors, focusing on five themes which have been identified from an industrial survey and an existing SERC programme: electric motor and microprocessor controls; cams, linkages, mechanisms and computer simulators; sensors, transducers and feedback systems; enabling technologies – noise, vibration and safety; and computer control of machines and processes. Eight industrial companies and six universities have indicated that they would like to participate in the programme.

On 16 May a five-year programme in Structural Composites was announced in the House of Lords by the Secretary of State for Trade and Industry, Lord Young, and in the House of Commons by Mr Robert Jackson, Parliamentary Under-Secretary of State at the Department of Education and Science. The programme is the largest so far under the LINK scheme, with government funding of £14 million from the Department of Trade and Industry and £6 million from the SERC.

The Structural Composites programme will focus on three generic types of material – polymer, metal and ceramic matrix composites – and it will co-ordinate the multi-disciplinary research currently being undertaken. It will support research to meet industry's demands for composites with improved properties, greater efficiency of processing and lower cost. Some 41 industrial organisations and 23 academic and research institutions have so far indicated that they wish to be involved in the new programme. Special efforts will be made to encourage the involvement of small and medium-sized firms.

Sources: *Hansard (HL),* Vol 507, No 87, written answers, cols 1165-6; *Hansard,* Vol 153, No 106, written answers, cols 125-6; Department of Education and Science press notice, 16.5.89.

SOCIAL AND CULTURAL AFFAIRS

Control of Drugs

New Government measures to support international efforts to combat drug abuse and illicit trafficking were announced at a ministerial meeting of the Council of Europe's Pompidou Group in London on 18 May.

The meeting was convened by the British Government to discuss the growing threat of cocaine to the countries of Europe. The Group is the primary forum for developing European co-operation against drug trafficking and abuse (see pp 439-40, 1988).

Home Secretary's Speech

Addressing the meeting, the Home Secretary, Mr Douglas Hurd, said that the response to drug trafficking had to be an international one and that both the demand for and the supply of drugs had to be addressed. In the last decade the amounts of cocaine seized in Europe had risen from 155 kilograms in 1978 to almost 5·5 tonnes in 1988. Large scale conversion of coca base into cocaine was underway in Europe and there was evidence of co-operation between criminal organisations in Colombia and Italy.

Having saturated the North American market, the cocaine dealers of Latin America were now driving their product into Europe. This alone would be cause for concern, but the emergence in the past three or four years of the derivative 'crack' and its devastating effects in the United States were even more alarming. Prior to 1985 crack was an almost unheard of term in the United States but was now a major drug in 49 out of the 50 states. Because the use of crack was accompanied by feelings of omnipotence and paranoia family life had been devastated, child abuse had soared and attacks on the police had increased. Moreover a recent study had shown that three quarters of people who used crack three times became physically addicted after the third time. 'Our job must be to work together, urgently, to ensure that the United States experience is not repeated here.'

The Home Secretary stressed the need for European countries to confiscate the proceeds of drug traffickers (see pp 79-80, 1988). Britain had concluded bilateral agreements with the United States, Canada, the Bahamas, Australia and Switzerland. An agreement with Spain was nearly ready for signature, negotiations with Sweden were almost concluded, discussions with Italy and France were underway and discussions with the Netherlands had just begun.[1] Mr Hurd added: 'There should be no hiding place either for the trafficker or for his profits.'

New British Initiatives

Details of the following British initiatives were announced by Mr Hurd:

1 Because various United Nations bodies perform essential functions in international anti-drugs co-operation, Britain is to make an extra budgetary contribution of £500,000 to the UN Trust Fund so that important practical work can go ahead. Two junior professional officers to work in the UN bodies will also be provided.

2 Britain has decided in principle to provide training – for customs officers from producer and transit countries – in methods to combat illegal drug trafficking.

3 Over £2 million is to be made available over the next three years to provide better equipment and training for law enforcement agencies in countries along the supply route of cocaine from Latin America to Europe.

4 The British Government has offered to host a major international conference in 1990 to address demand reduction in the context of the threat posed by cocaine as well as ways of preventing cocaine from reaching Europe.

Outcome of the Meeting

Ministers exchanged information about the problems of cocaine in their respective countries and concluded that there was evidence that Western Europe was being targeted as a new outlet. In Britain alone there were six seizures of crack in 1987, 13 in 1988 and 27 in the first three months of 1989. They therefore agreed to a British proposal to set up an *ad-hoc* working group to prepare proposals for further action to combat illicit trafficking and to obtain further information on cocaine consumption and its health consequences. They also stressed the need for effective education measures to reduce demand for cocaine and emphasised their support for the efforts of the UN Fund for Drug Abuse Control to combat cocaine production, trafficking and demand.

Background

Various initiatives have been taken by the Government in recent months to reduce demand for illicit

[1] The agreement with Sweden was initialled on 18 May. In all, Britain is negotiating similar agreements with about 20 countries and has made preliminary contacts with another 20.

drugs in Britain (see also pp 439-40, 1988). Some £3 million has been allocated for a prevention publicity campaign. In May it announced that in 1990-91 some £7 million would be given for drugs education in schools; of this £4 million will be used to support a new and broadened remit for drugs education co-ordinators who will be responsible for providing information and advice to schools on drugs, alcoholism and AIDS. The remaining £3 million will fund in-service training of teachers. Some £17·5 million is being allocated in 1989-90 for treatment and rehabilitation of drug misusers.

Between 1977 and 1985 the number of seizures of controlled drugs in Britain rose from 13,000 in 1977 to 30,466 in 1985; the number in 1986 was 30,473 and there were 30,654 seizures in 1987.

Confiscation orders to the value of £11 million have been made in England and Wales under the Drug Trafficking Offences Act 1986. The Act empowers courts to deprive convicted drug traffickers of the total value of the proceeds of their drug trafficking offences (see pp 69-71, 1986).

Britain is the fourth largest donor to the United Nations Fund for Drug Abuse Control and contributes to specific projects maintained by the Fund, for instance £3·4 million to an opium eradication and substitution project in Pakistan. Britain has been a member of the UN Commission on Narcotic Drugs, which prepares international agreements on drug matters, since its establishment in 1946.

Britain provides some £2 million a year for law enforcement and drug-related assistance in key producing countries from which drugs are reaching Britain.

Shorter Notes

SOCIAL SECURITY ADMINISTRATION: EXECUTIVE AGENCIES

Speaking in the House of Commons on 17 May, the Secretary of State for Social Security, Mr John Moore, announced that by April 1991 social security operations would be undertaken by executive agencies. This decision followed on from a study which Mr Moore had initiated in July 1988 into whether a better social security service could be delivered through more autonomous operations under his overall direction.

The study, Mr Moore explained, focused on the core social security functions of collecting and recording National Insurance contributions and of assessing and paying benefits. It highlighted significant potential benefits from agency status including far greater clarity about roles, responsibilities and objectives; more personal responsibility and accountability for the quality of service to the public; a more dynamic and flexible approach to improving efficiency and performance; and scope for staff to do a better and more satisfying job. The study had concluded that virtually all the operational tasks of the Department of Social Security could be run more effectively on the agency model.

The new agencies will cover the three main aspects of the Department's present operations:

1 an Information Technology Services Agency. With about 3,000 staff, this will handle computing and communications technology for the Department and its other agencies from April 1990;

2 a Benefits Agency. This will be responsible for the delivery and administration of income support, contributory benefits and related services. With some 70,000 staff, this agency will be established in April 1991; and

3 a Contributions Unit which, with 7,000 staff, will be responsible from April 1990 for the administration of National Insurance contributions. The unit will either become an agency in its own right or fall within the benefit agency.

Staff in these agencies will remain in the Civil Service. Their chief executives will be selected by open competition and will be appointed on limited term contracts specifying clearly defined objectives and budgets. The Secretary of State for Social Security will remain accountable to Parliament for all aspects of social security administration and policy, but within the framework of ministerial policy there will be maximum delegation of responsibility for operational matters.

The social security programme accounts for over £48,000 million of benefit expenditure and £2,000 million on administration – some 10 per cent of gross domestic product. Around £33,000 million is collected through National Insurance contributions. The Department of Social Security is one of the country's largest employers, with over 80,000 staff.

On 23 May the Secretary of State for Social Security announced details of the first executive agency to be set up within his department. From 24 May the Resettlement Units Executive Agency would become responsible for managing the existing Department of Social Security resettlement units, which aimed to provide help and assistance to a group of people who were among the most disadvantaged.

These Units provide 1,836 beds, 670 of which are in London, for single homeless people. In addition to providing food and shelter, the Units seek to encourage users to adopt a more settled way of life and to help them to find accommodation of their own. The Government intends the new agency to examine how to get the best out of the resources available and to implement the policy set out by the Government in 1985 that the needs of these people, and in particular their prospects for a more settled way of life, could more appropriately be met in accommodation that was run and administered by local authorities and by voluntary organisations rather than in large centrally run institutions.

Sources: *Hansard*, Vol 153, No 107, cols 320-3, and Vol 153, No 111, cols 449-450; Department of Social Security press releases, 17.5.89 and 23.5.89.

GRANT FOR GLOBAL AIDS PROGRAMME

The Minister for Overseas Development, Mr Christopher Patten, announced on 8 May that the

Government would contribute a further £4·5 million to support the World Health Organisation's global programme on AIDS, which helps developing countries set up and implement national AIDS control programmes (see pp 76-7, 1988).

Britain is the third largest donor to the WHO's global programme and the proposed grant now brings its contribution to £12·25 million. In addition, Britain has committed £6·34 million in support of WHO co-ordinated AIDS prevention and control programmes in Africa and the Caribbean and is giving about £1·6 million to the International Planned Parenthood Federation for AIDS-related activities.

Source: Overseas Development Administration, press notice, 8.5.89.

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Aspects of Higher Education in the United States of America: A Commentary by Her Majesty's Inspectorate. The report says that Britain's higher education system compares well with that of the United States in terms of academic standards and course completion rates. It notes the greater flexibility of course structures and diversity of funding in the United States' system, both of which are relevant to British efforts to increase access and participation rates. HMSO, £3·50. ISBN 0 22 270685 1.

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Towards Equality: A Casebook of Decisions on Sex Discrimination and Equal Pay 1976-1988. Available from Equal Opportunities Commission, Overseas House, Quay Street, Manchester M3 3HN. £10.

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